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Asia and Oceania Agricultural Situation

Review of 1976 and
Outlook for 1977




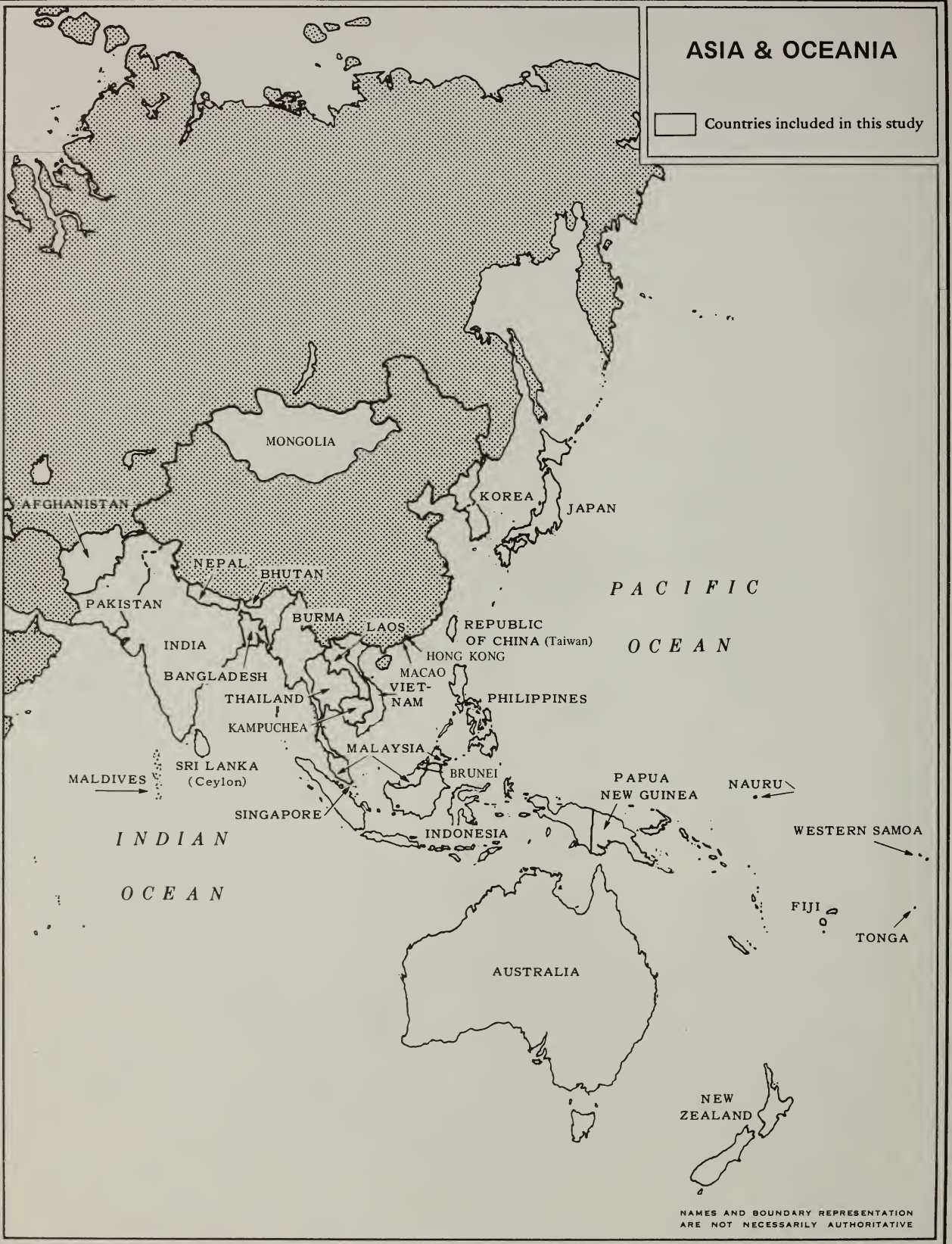
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ASIA & OCEANIA

 Countries included in this study



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ABSTRACT: Agricultural production in Asia and Oceania showed little change in 1976, although declines occurred in Australia, Japan, India, and Sri Lanka. On a regional basis, per capita agricultural and food production declined. Record per capita food output, however, was attained in Taiwan, South Korea, Malaysia, and the Philippines. Adverse weather late in the year reduced agricultural production in many countries after strong gains were made during early 1976. U.S. agricultural exports to Asia and Oceania increased 5 percent to \$6.8 billion, and U.S. agricultural imports from the region increased 9 percent to \$2.7 billion. Renewed growth in total agricultural production is anticipated in 1977, particularly if India receives favorable monsoon rainfall.

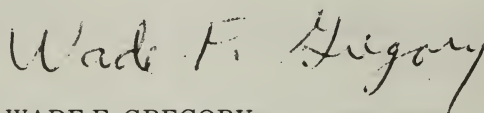
KEY WORDS: Asia, Oceania, agricultural production, agricultural trade, economic situation.

FOREWORD

This annual review provides an analytical basis for shortrun policy decisions and informs the public about current agricultural developments in Asia and Oceania. It is one of seven regional supplements to the World Agricultural Situation, WAS-12, December 1976. Other regional reports are published for Africa and West Asia, Eastern Europe, the People's Republic of China, Western Europe, the Western Hemisphere, and the Soviet Union. Because of recent revisions, data in this report may sometimes differ from data in the World Agricultural Situation and occasionally from the Indices of Agricultural Production, Statistical Bulletin 555. This report is based primarily on information available as of March 15, 1977.

This report was directed and coordinated by the Project Leader. Those participating in the preparation included Lynn A. Austin, William T. Coyle, Frederick W. Crook, E. Wayne Denney, Julia K. Garmon, Amjad H. Gill, Marion R. Larsen, Thomas H. Lederer, Charles Y. Liu, John B. Parker, Jr., Virginia S. Salley, Frederic M. Surls, and Carolyn L. Whitton.

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WADE F. GREGORY

Project Leader

Asia Area

Foreign Demand and Competition Division

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EXPLANATORY NOTES

Asia refers to those countries from Afghanistan east with the exception of the People's Republic of China. *Oceania* refers only to Australia and New Zealand except some additional islands are included for regional trade data on U.S. agricultural exports and imports shown in tables 22 and 23.

Unless otherwise stated, *split years* (that is, 1975/76) mean July-June, tons are metric, and *dollars* are U.S. dollars. Unless specified otherwise, data on *rice* are for milled rice.

Calendar year production includes crops harvested during the spring, summer, and autumn of 1976 (for example) and some crops such as rice, where the bulk of the crop is harvested in 1976, but harvest continues into the early part of 1977. Unless otherwise stated, text references to years are calendar years.

GNP refers to gross national product, GDP to gross domestic product. HYV refers to high-yielding varieties of a crop.

SUMMARY

Total agricultural production in Asia and Oceania was virtually unchanged during 1976, although there were considerable changes in some countries in the region. Of the 14 countries for which indices were calculated, 4 registered declines: Australia, Japan, India, and Sri Lanka. There were record outputs in Bangladesh, Indonesia, South Korea, Malaysia, the Philippines, Taiwan, and New Zealand. Pakistan's agricultural production was slightly above the 1975 level, and output in Thailand and Burma equaled 1975's output. The 1977 outlook for Asia and Oceania is for renewed growth in total agricultural production, and continued strong growth by individual economies.

The current situation in Asia and Oceania is less favorable when population is considered. On a per capita basis, both total agricultural production and food production decreased in 1976, however much of this was because of big decreases in Japan and Australia. If these two countries are omitted, per capita production showed some increase in 1976. In fact, per capita food production in the Asian countries, excluding Japan, remained at about the same level in 1976 as in 1975. This occurred despite India's per capita food production decline from an index of 109 in 1975 to 106 in 1976. Four countries in the region achieved record per capita food production: Taiwan, South Korea, Malaysia, and the Philippines. Slight gains were also made in Pakistan and New Zealand, but per capita food production was down in the remaining eight countries.

Agricultural production deteriorated in many countries of the region during the second half of 1976 after recording strong gains in the first half. In India, the spring wheat harvest was substantially higher. But the monsoon rainfall was erratic, and its early ending in September caused output of rice and coarse grains to decline. Despite these reductions, large imports of food grains in 1975/76, coupled with the large wheat harvest, enabled Government grain stocks to reach 18 million tons by December.

In Pakistan, the spring wheat harvest was sub-

stantially higher because of abundant rainfall and increased use of fertilizer and high-yielding varieties. Some flooding late in summer partially damaged the rice and cotton crops in the major provinces, causing output of both crops to fall.

Drought conditions in the Philippines late in 1976 prevented rice and corn production from registering an increase. Typhoon damage lowered banana and pineapple output, but all other commodities made significant gains.

Indonesia was plagued with flooding and pest problems early in the year, and then by a prolonged summer drought which kept rice production at about the same level for the third consecutive year. Rubber and palm oil posted sharp gains, thus allowing overall agricultural production to expand.

Agricultural production in Japan fell 5 percent during 1976 as unseasonably cold temperatures and typhoon damage substantially lowered the rice harvest. Livestock production was up 4 percent.

Early frost also lowered crop production in Mongolia. Sri Lanka suffered drought conditions for the second straight year.

In Thailand, excellent weather during the growing and harvesting seasons partly offset earlier drought conditions for many commodities. Sorghum and cassava showed a slight increase from the previous year, but rice and corn were down considerably.

In about half of the countries in the region, weather adversities were minimal, and agricultural output rose. The food shortage situation in Bangladesh has been greatly eased with 2 successive good crop years, combined with adequate stocks and reduced smuggling. Rice production reached 12.7 million tons in 1976.

Malaysia's production of rubber, palm oil, and rice made sizable gains, resulting in agricultural growth of about 7 percent during 1976. Rubber export volume and value were up sharply, but a rise in palm oil export volume could not overcome the price decline.

Excellent weather allowed South Korea's agricultural production to rise 11 percent with record harvests of rice, barley, and vegetables. Total agri-

cultural import value was reduced in 1976, mainly because of smaller volumes of rice and barley imports and lower prices for cereal and sugar.

The 11-percent increase in Taiwan's agricultural growth is attributable to a sharp upturn in rice output and a 27-percent rise in livestock production. Favorable domestic prices and the removal of export controls on frozen pork contributed heavily to the livestock advances.

After the third consecutive year of increased crop production in Afghanistan, the country is nearing self-sufficiency in wheat. Increased wheat production was also mainly responsible for Nepal's upturn in grain output.

Burmese rice exports rose to over 600,000 tons in 1976 as rice production reached 6.2 million tons. Favorable weather led to increased grain harvests in both North Korea and Kampuchea (Cambodia).

Agricultural production in the recently formed Socialist Republic of Vietnam made considerable progress during 1976. But overall output was below the ambitious targeted levels.

Production was mixed in Australia. Wheat output fell by 12 percent because of drought. Wool production was down, and beef and veal output was up sharply. Wheat exports totaled 8.5 million tons for the second straight year, and meat exports expanded by a third as Japan, Canada, and Mid-East countries showed marked gains.

New Zealand's milk and meat output was comparable to the 1975 level, but wool production expanded for the third straight year. The country's policy of diversifying its export markets paid off as dwindling exports to the United Kingdom were offset by increased exports to the United States.

Hong Kong and Singapore benefited from the economic recovery in developed nations during 1976. The high unemployment rates of a year ago were reduced, and real growth was stronger.

U.S. agricultural exports to Asia and Oceania in 1976 increased 5 percent to \$6.8 billion. Japan's imports alone accounted for \$3.56 billion, reflecting larger purchases of corn, soybeans, and cotton.

Exports to Indonesia nearly doubled with rice and cotton leading the upsurge. U.S. exports to India and South Korea remained strong as smaller grain deliveries were offset by increased purchases of oil-seed products and cotton. Exports to Bangladesh dropped considerably because of smaller deliveries of wheat and rice under P.L.-480. U.S. shipments to Taiwan and Pakistan also declined in 1976. U.S. agricultural exports to Australia remained steady in 1976, but exports to New Zealand and the South Pacific Islands showed modest gains.

U.S. agricultural imports from Asia and Oceania increased 9 percent in 1976 to a record \$2.7 billion. Purchases from Indonesia more than doubled to \$406 million as rubber imports rose sharply. The value of imports from India was up because of higher prices for coffee, tea, and spices. The value of imports from Malaysia was down slightly because of lower palm oil prices. Agricultural imports from the Philippines increased by a small amount, but declining sugar prices hampered gains in value. Imports of canned foods from Taiwan declined, but more canned mushrooms arrived from South Korea. Imports of farm products from Japan rose 20 percent as larger supplies of canned mandarin oranges were shipped. Lower prices for beef and sugar kept imports from Australia slightly below the \$580 million peak of 1975. Larger arrivals of dairy products pushed U.S. farm imports from New Zealand to \$281 million in 1976.

Agricultural production in the region, particularly in India, should expand during 1977 if favorable monsoon rainfall occurs. The impact of oil price increases scheduled for 1977 by the Organization of Petroleum Exporting Countries (OPEC) is likely to curtail growth in several countries, including Japan, the Philippines, Hong Kong, and Singapore. The region's OPEC member, Indonesia, should add to its already large trade balance surplus in 1977. U.S. agricultural exports to Asia and Oceania should be slightly higher in 1977, with cotton exports showing the principal gain.

AFGHANISTAN

Agriculture accounts for 50 percent of the gross national product (GNP). Major agricultural products are wheat, corn, fruits and nuts, rice, cotton, karakul pelts, and wool. Major agricultural exports are fruits, karakul pelts, cotton, and wool. Major agricultural imports are sugar, tea, and vegetable oils.

Afghanistan's economy enjoyed a fairly good year in 1976. Economic factors were generally

favorable, although the economy grew at only a very modest rate. Real gross domestic product (GDP) rose around 4 percent in 1976, about the same as in 1975. Inflation rates for 1975 and 1976 were between 5 and 7 percent. This low rate of inflation was partly because of the isolation of a large majority of the population from the money economy and limited dependence on imported consumer goods. Total trade jumped 18 percent in 1976, reaching a level of \$448 million—the result of a big increase in the value of natural gas exports.

Agricultural Production

For the last 3 years, Afghanistan has had good weather with plenty of rain for stable or increased agricultural production. In 1976, Afghanistan's total agricultural production advanced by 2 percent over 1975 production. Total food grain production increased 60,000 tons over 1975 production of 4.4 million tons. Wheat, the major food staple in Afghanistan, accounted for most of this increase. Production reached almost 3 million tons, 50,000 tons higher than in 1975. Production might have been higher, but an increase in the price of fertilizer lowered the amount used during the winter planting season, traditionally the peak period of fertilizer use. Rice production increased 5,000 tons to 295,000 tons in 1976. Corn and barley production in 1976 remained at about the 1975 levels of 800,000 and 400,000 tons, respectively.

As part of its program to provide improved farm inputs, the Government of Afghanistan distributed 70,000 tons of domestically produced urea, 24,000 tons of high yielding variety (HYV) wheat seed, and 7,700 tons of cottonseed. The Government also imported about 290 tractors and made available more than \$1.25 million for agricultural loans.

Agricultural Trade

Afghanistan's agricultural exports consist mainly of four major commodity groups: Fresh and dry fruits and nuts, raw cotton, karakul skins, and wool. These groups account for 60 percent of total exports. As a result of regulations to improve export quality, the value of these four groups decreased from about \$164 million in 1975 to about \$157 million in 1976. Meanwhile, total exports rose sharply to an estimated \$225 million in 1976; a \$9-million increase over 1975. This increase was the result of the higher export price for natural gas, which brought in \$45 million in 1976, compared with \$26.4 million in 1975.

Exports of dry fruits and nuts, Afghanistan's major foreign exchange earner, dropped from \$54 million in 1975 to an estimated \$42 million in 1976. The decline was attributed to the regulations to improve the quality of exports. Fresh fruit exports increased from

\$30.8 million in 1975 to around \$33.8 million in 1976. Cotton exports were \$29 million in 1976, about \$3 million below 1975 exports.

Karakul skins used to be a major foreign exchange earner, but export values have been decreasing for the last 5 years. Karakul skin earnings dropped from \$17.2 million in 1975 to \$15 million in 1976. West Germany, until recently the major buyer of Afghanistan's karakul skins, put quality controls on the karakul trade which resulted in reduced karakul imports. In addition, flock owners were getting more profit from raising sheep for meat rather than slaughtering newborns for karakul pelts.

Afghanistan's total imports were estimated at about \$2.19 million in 1976, up 18 percent from 1975's imports of \$170.5 million. Sugar and tea are the two major food commodities which Afghanistan imports each year. In 1976, the value of sugar and tea imports reached \$40 million.

U.S. agricultural exports to Afghanistan declined from \$3.3 million in 1975 to \$1.6 million in 1976. Nonfat milk, tallow, and soybean oil were the major commodities shipped. U.S. agricultural imports from Afghanistan rose sharply from \$7 million in 1975 to \$9 million in 1976. Goat hair, karakul skins, licorice root, and legal opium were the major commodities imported.

Outlook

Afghanistan's economy during 1977 is expected to equal or better its 1976 performance. The recent good weather, coupled with a planned increase in fertilizer use, offers the prospect of another good agricultural year. Wheat production may increase between 5 and 8 percent, making Afghanistan self-sufficient in wheat. Cotton production is officially forecast to increase about 10 percent to a record level as a result of programs to increase the use of fertilizer and improved seeds. Improved relations with Pakistan may further increase Afghanistan's foreign trade with that country. Afghanistan may export some urea during 1977 from the newly built fertilizer factory at Mazar-i-Sharif, since domestic requirements (80,000 tons) are less than production capacity of 120,000 tons. (*Amjad H. Gill*)

AUSTRALIA

Agriculture accounts for 6 percent of GNP. Major agricultural products are wool, wheat, milk, and beef. Major agricultural exports are wool, wheat, beef, and sugar. Major agricultural imports are tobacco, fruits, vegetables, rubber, coffee, and tea.

Australia's economy continues to perform sluggishly, and attempts at recovery have not been as successful as had been hoped. The main concern of the Government at present is putting together a new economic package to counter the inflationary aspects of the November 1976 devaluation of 17.5

percent. Declining-terms of trade have been a long term characteristic of the Australian rural sector. But the impact has been particularly strong in the last 3 years. Devaluation has exacerbated the cost situation by pushing up the cost of imported farm inputs (table 1).

Net income per farm is estimated to be \$9,600¹ in 1976/77, down 8 percent in real terms from 1975/76 and down 63 percent in real terms from the all-time high that occurred in 1973/74.

Agricultural Production

Australia's Bureau of Agricultural Economics estimates that Australian wheat production in 1976 (harvested mainly during December 1976 and January 1977) declined by 12 percent from 1975 to 10.5 million tons. The area harvested is estimated to have increased slightly to 8.9 million hectares. Although record yields are anticipated in some areas, a slightly below-average yield overall is estimated because of unfavorable weather conditions early in the season. The price of wheat in Australia has increased steadily since December 1976. The average export price for February 1977 was \$110 per ton. The support price for wheat during the 1976/77 marketing year (Dec.-Nov.) was set at \$72 per ton. Production of coarse grains was up 25 percent in 1976, mainly because a larger area of barley was harvested.

Beef and veal production in 1975/76 was up 16 percent, responding to a combination of higher beef prices, liquidation because of drought, and substitution of sheep for beef cattle. Mutton production was up 29 percent during the same period, but lamb production declined. Wool output fell 5 percent during 1975/76 because of poor weather conditions. The increase in wholesale wool prices, however, more than compensated wool growers for the fall in production, as the total value reached \$1.1 billion. Drought, in concert with Government policies to rationalize the dairy sector, caused milk pro-

duction to fall 3 percent in 1975/76. However, dairy product prices continued to decline.

Agricultural Trade

Australian agricultural exports were adversely affected by many labor disputes, mainly at ports (tables 2 and 3). A total of 2 million working days were lost through labor disputes in July-September 1976. Work stoppages made it difficult for exporters to meet shipping schedules, and many sustained heavy losses.

The November 1976 devaluation of the Australian dollar gave exporters a competitive advantage. But, the general market situation for Australian beef and wheat exports continues to be dominated by relatively low prices overseas. Quite restricted access to Japan and the European Community further plagues beef exports. Increasing sales of beef to other markets, particularly the Soviet Union and Eastern Europe, have boosted export volumes. But prices of those sales generally remain below those of the main traditional outlets. Middle Eastern markets showed marked gains.

Outlook

Despite low business capital expenditures and relatively high unemployment, economic expansion in 1976/77 is estimated to be 4.4 percent, compared with 1.3 percent in 1975/76.

Improvement in the world markets for livestock products is expected to favor Australia's livestock sector in 1976/77. Livestock production is expected to expand, but it will still be below the output achieved in 1972/73. When the crop sector is added, the gross value of agricultural production in 1976/77 is expected to reach a record \$7.1 billion. This is 6 percent higher than the 1975/76 total and slightly above the previous record level in 1973/74. Improved returns for several major commodities will more than offset an expected decline in output associated with unfavorable weather in southeast Australia earlier in the season.

The real value of agricultural exports is estimated to be down only 2 percent in 1977, compared with an average annual decline of 5 percent over

¹The exchange rate of 1.0875 U.S. dollars per Australian dollar is used throughout this statement.

Table 1—Australia: Economic indicators, 1972/73-1976/77

Economic indicator	1972/73	1973/74	1974/75	1975/76	1976/77 ¹
GDP (billion dollars at 1975/76 prices)	65.3	68.8	68.8	69.7	72.8
Unemployment (percent)	1.4	1.4	4.1	4.4	4.6
Consumer price index (1966/67=100)	129.8	146.6	171.1	193.3	220.2
GDP per capita (dollars at 1975/76 prices) . . .	4,973	5,173	5,108	5,143	5,343

¹ Estimated.

Sources: *Quarterly Estimates of Statistics of National Income and Expenditure, The Labor Force, and Consumer Price Index.* Australian Bureau of Statistics, various issues.

Table 2—U.S. agricultural imports from Australia, 1974-1976

Commodity	1974	1975	1976
<i>Million dollars</i>			
Meat	365	317	390
Sugar	155	212	99
Other	56	51	86
Total	576	580	575

Table 3—U.S. agricultural exports to Australia, 1974-1976

Commodity	1974	1975	1976
<i>Million dollars</i>			
Tobacco and products .	30.7	25.0	17.5
Vegetable oils	13.2	15.1	8.2
Fruits and vegetables ..	21.4	13.6	14.8
Oilseeds and products ..	8.8	1.4	6.9
Livestock feeds	7.5	.8	2.1
Textile fibers	6.8	.6	.5
Other	19.7	15.6	22.1
Total	108.1	72.1	72.1

the previous 4-year period (table 4). Increases in the value of wool and meat exports are expected to more than offset the decline in dairy and egg exports in 1976/77, putting the value of livestock and livestock product exports up 11 percent to \$2.4 billion (in 1975/76 prices).

The gross value of wool production in 1976/77 is expected to be \$1.4 billion, with sharply higher

Table 4—Australia: Value of agricultural exports

Commodity	1972/ 73	1973/ 74	1974/ 75	1975/ 76	1976/ 77 ¹
<i>Million dollars at 1975/76 prices</i>					
Crops	1,195	1,457	2,627	2,162	1,798
Wool	2,042	1,789	1,000	1,122	1,427
Meat and live animals	1,349	1,100	520	694	770
Dairy products	227	229	200	221	164
Eggs	20	12	12	10	8
Other	524	448	386	391	342
Total	5,357	5,035	4,745	4,600	4,509

¹ Estimated.

Source: *Trends in Australian Rural Production and Exports*, Australian Bureau of Agricultural Economics, Dec. 1976.

prices more than offsetting a small drop in production.

Milk production is expected to fall 11 percent in 1976/77. This is based on a further expected decline in dairy cow numbers, as well as a marked drop in milk yields in southern areas—due to a drought in July 1976 and a devastating fire in February 1977.

Sugar production in Australia during 1976/77 is estimated at 3.4 million tons. This is well above the record output of 3.0 million tons achieved in the previous season, and it is attributable to expanded production capacity at both growing and milling levels and generally favorable weather conditions. Exports of sugar for 1976/77 have been estimated at 2.6 million tons, compared with 2.0 million the year before. (Lynn A. Austin)

BANGLADESH

Agriculture accounts for 55 percent of GDP. Major agricultural products are rice, jute, and sugarcane. Major agricultural exports are jute and tea. Major agricultural imports are wheat, rice, tobacco, and cotton.

During 1976, Bangladesh experienced a period of relative stability with some economic progress. In 1975/76, GDP is estimated to have grown almost 11 percent in real terms. The cost of living showed a decline of 20 percent from June 1975 to June 1976, mainly because of a drop in food prices. At the end of September 1976, foreign exchange reserves were \$254 million, compared with \$159 million in September 1975. The improved reserve position was the direct result of higher export volume at relatively good prices, and the volume of imports was lower than previously forecast.

The food situation in Bangladesh in 1976 was the best in the country's short history. Two good successive crop years, combined with adequate stocks and curtailed smuggling of rice to Burma and India, greatly eased food problems in Bangladesh. However, the present temporary abundance might tempt one to reach a mistaken conclusion with regard to the longrun food grain supply situation in Bangladesh. The situation of abundance is fragile, and its continuance depends upon concessional imports and the future success of highly weather-dependent harvests.

About 25 percent of the more than 80 million people in Bangladesh participate to some degree in the Government's food ration system. There are five main categories of recipients. The amount and type of ration supplied for each ration card holder varies with the category, current need, and total

supply. The categories are the *statutory ration area*, which includes the urban populations of Dacca, Nyaranganj, Chittagong, Khulna, and Rajshahi; the *modified ration areas*, which include some of the smaller towns and villages in the rural areas; *Government workers* and employees in large nonurban factories; the "*priority*" group, which includes the military, police, and hospitals; and the *relief category* for feeding people who are destitute.

The Government includes the following commodities in its ration program: Rice, wheat, wheat products, edible oil, white sugar, common salt, and, occasionally, washing soap. These commodities are obtained from both domestic procurement and concessional imports. Although the Government increased the number of those eligible to participate in the ration system in 1976/77, it also decreased the subsidy about 25 percent, thus bringing the ration price more in line with the free market price.

Government agencies handled about 1.9 million tons of food grain supplies in 1975/76. The total consisted of 1.5 million tons of imported food grains and 425,000 tons from domestic procurement. Domestically produced grains are largely handled by private traders, and imported food grains are handled totally by Government distribution. All Government stocks, including both domestic procurement and imports, are distributed throughout the year by the Food Ministry through ration shops, food-for-work, and other Government programs.

The ration system complements the supply of food available on the open market. A high price in the open market relative to the subsidized ration price, causes an increase in offtake as people buy the lower priced ration food. (Offtake is the removal of food commodities from Government stocks to meet Government program requirements: Ration system, food-for-work, emergency relief.)

The Bangladesh Government is presently attempting to increase its domestic procurement program, setting the 1976/77 target at 500,000 tons. Procured paddy is used to meet the modified ration requirements of rural areas where paddy can be distributed instead of milled rice. The statutory ration requirements of the urban areas, are met with a combination of imported concessional food commodities and procured paddy that has been milled.

The amount of grain procured depends on the price in the open market relative to the procurement price offered by the Government. If prices at the farm level are low relative to the procurement price, as occurred early in 1977, the procurement price acts as a price support and encourages farmers to sell to the Government. However, should there be a production shortfall, free market

prices would increase and make it difficult for the Government to reach its procurement target. This, in turn, would increase the need for higher levels of concessional imports to meet offtake requirements.

Because of good crops in 1975 and 1976, low open market prices, low offtake, and bunched imports, Government stocks increased sharply beginning in June 1975 and reached a peak of around 900,000 tons in June 1976. Prior to this buildup in stocks, warehouses operated by the Government were essentially transit facilities in which stock turnover occurred every 60 to 90 days. The slower stock turnover, resulting from high stock accumulation, required a level of management that the Government was not prepared to provide. The resulting spoilage was estimated by the Ministry of Food as less than 3 percent, or about 30,000 tons.

With the combined efforts of the Bangladesh Government and the food supplying countries to decrease shipments, total stocks were reduced to a manageable 500,000 tons by January 1977. In addition, the Bangladesh Government has been improving and expanding its food grain storage capacity with the aid of several donor countries, including Denmark, Australia, England, and Canada. In 1976, the Secretary of the Food Ministry indicated that 47 new warehouses, each of 750-ton capacity, had been completed and that 212 additional warehouses were under construction for a total capacity of 120,750 tons. The Secretary estimated that 1 million tons of storage capacity were available by January 1977.

Agricultural Production

Rice production for 1976/77 was estimated at 12.7 million tons, a slight increase over the 1975/76 harvest of 12.5 million tons. Both harvests were the result of favorable weather and a small increase in the use of HYV's and fertilizer. The 1976/77 wheat crop is projected to reach 270,000 tons. This increase in production over the 1975/76 total of 200,000 tons will be due to the increased area planted and improved yields as more HYV's were seeded.

The price of rice at the farm level was low relative to both sugarcane and jute prices. This has caused an increase in area and total production of sugarcane and jute. Sugarcane area increased from 145,000 hectares in 1975/76 to 162,000 hectares in 1976/77. Part of this, 51,000 hectares, was reserved exclusively for refined sugar production (mill zones), which totaled 86,788 tons in 1975/76. The estimate for 1976/77 production is 115,000 tons, since demand increased in the urban areas. As urban rice prices drop, more disposable income is available for purchasing such luxury goods as refined sugar. Almost all rural people, the largest segment of the population, consume only gur (jag-

gery). The production of gur in 1975/76 is estimated to be 350,000 tons. The production of molasses is 65,000 tons for 1975/76.

Jute and tea are the most important export crops for Bangladesh. Jute area and production are forecast to be 648,000 hectares and 990,000 tons in 1976/77 compared with 526,000 hectares and 828,000 tons in 1975/76. Tea production in 1976/77 is targeted at 70 million pounds, an increase of 6 million pounds over 1975/76 production in response to greater world demand. A new Government program will be in effect in 1977 to encourage improvements in the quality and quantity of tea produced and exported.

Agricultural Trade

Raw jute and jute products are the largest source of foreign exchange for Bangladesh, representing around 80 percent of total export earnings. In 1976/77, 478,000 tons of raw jute were exported with a value of \$119 million. In addition, jute products were exported at a value of \$205 million. The global demand for raw jute and jute products appears to be increasing. As a result of this increased demand, and the 1975 devaluation of the taka, an upward trend in jute exports is expected.

Tea exports of 51 million pounds were valued at \$18.3 million in 1976, and they are expected to increase to 55 million pounds in 1977. Tea for export is sold through the Chittagong tea market and by direct sales. From 200,000 to 250,000 pounds of high quality tea will be imported in 1977 for blending purposes.

Bangladesh continues to be highly dependent upon concessional agricultural imports of rice, wheat, edible oils, cotton, and inedible tallow. Total food grain imports for 1975/76 are estimated to have been 1.6 million tons. P.L.-480 shipments in 1976 amounted to 58,000 tons of wheat and 235,000 tons of rice. A low of 850,000 tons of food grain imports are projected for 1976/77, of which an estimated 200,000 tons will be from the United States under P.L.-480 financing. Any production shortfalls would need to be met with additional concessional imports from the United States or other donor countries.

The Bangladesh Government is requesting 15,000 tons of refined soybean oil in drums and

7,000 tons of crude-degummed soybean oil in bulk prior to September 1977 to be financed under a P.L.-480 program. Soybean oil has become the desired cooking oil in Bangladesh, and it now sells well ahead of rapeseed oil.

The factors which have eased the food situation in Bangladesh have at the same time altered import requirements. The urgency of supplying P.L.-480, Title I, financing for food grains and edible oils has been reduced. Now, the Bangladesh Government wants P.L.-480 financing for raw cotton and inedible tallow.

In 1975/76, Bangladesh imported 40,500 tons of raw cotton, all with International Development Association (IDA) funding, of which the United States supplied 38,100 tons. The Bangladesh Textile Industry Corporation, the sole importer of raw cotton, would like to import a total of 78,900 tons in 1976/77. Because of a limit on future IDA funding, P.L.-480 financing is being requested for 30,500 tons of this total import request. The present high price and demand for U.S. cotton, however, may preclude any P.L.-480 financing of raw cotton in 1976/77.

U.S. agricultural imports from Bangladesh in 1976—mainly raw jute, jute products, frog legs, and tea—totaled \$4.3 million, up 30 percent from the 1975 level of \$3.3 million.

Outlook

The continuation of abundant food supplies in Bangladesh is highly dependent on good weather. The level of domestic food production can change dramatically and suddenly because of the country's vulnerability to cyclones and floods. Despite the recent excellent harvests, agricultural production is just now beginning to surpass pre-independence levels. Even with concessional imports and higher levels of domestic grain production, population growth has been such that total availability of food grains on a per capita basis has remained at about the same level year after year, with an increasing percentage of the total coming from concessional imports. With population increasing at about 3 percent per year, Bangladesh is far from self-sufficient and will require food assistance at varying levels for the foreseeable future. (Thomas H. Lederer)

BURMA

Agriculture accounts for 37 percent of GDP. Major agricultural products are rice and sugarcane. Major agricultural exports are rice, corn, and pulses. Major agricultural imports are dairy products, wheat flour, and vegetable oils.

The Burmese Government estimates the growth of 1975/76 (April-March) GDP to be 4.5 percent at constant (1969/70) prices. This modest growth represents a considerable improvement from Burma's average annual growth rate of 2.7 percent over the last decade. These small increases in GDP

have only slightly exceeded annual population growth of 2.4 percent, thus providing very little gain in per capita GDP.

Led by higher agricultural production, output in other sectors of the economy also expanded in 1976. Industrial production, which rose 12 percent, still remains only about 5 percent above the quantity recorded 6 years ago. Underused industrial capacity, resulting from a lack of raw materials and spare parts, has handicapped production increases.

Burma continues to experience a scarcity of consumer and capital goods, partly as a result of price controls, a poor distribution system, and Government efforts to save foreign exchange. A thriving black market helps to meet consumer demand for products the official economy fails to provide. Many goods—from soap and tetracycline to jeep tires and sewing machines—can be obtained in the black market. Burmese products usually exchanged for these are rice, opium, teak, jade, jewels, coffee, tea, and tungsten. Although they provide jobs and income for a large segment of the population, these illegal marketing channels siphon off a large part of the country's taxable economic base. This part is not included in official statistics of general economic indicators, and thus a sizable portion of the Burmese economy is underreported. Yet, the black market is an important part of the overall Burmese economy and helps to maintain the domestic stability necessary for the Government to remain in power.

Inflows of foreign loans and grants have enabled Burma to record small surpluses in its overall official balance of payments for 3 consecutive years. In 1975/76, however, these financial inflows failed to offset the negative balance of trade, resulting in a deficit of about \$30 million. A deficit of about this same magnitude is expected in 1976/77.

Agricultural Production

Burma's agricultural sector recorded an increase in output of 7 percent during 1976/77, chiefly because of the influence of favorable weather on yields. All crops exceeded the previous year's production levels with the exception of jute. Total paddy area planted in 1976/77 is estimated at 5.2 million hectares. Production of milled rice is estimated to be a record 6.2 million tons. The 1976/77 Government procurement target is for 3.2 million tons, a third of total paddy production. Actual procurement, however, will probably be less because of limited milling capability and inadequate storage and transportation facilities.

The livestock industry (including poultry) grew slightly in 1975/76 in terms of increased animal

numbers and higher production of meat and byproducts. Although the direct contribution of livestock to GDP is small, livestock play a critical role in agriculture as draft animals, as means of transportation, and for food. Government extension and animal husbandry services are very limited, and, as a result, farmers are reluctant to invest in livestock or poultry because of the high probability of losses because of disease.

Sugarcane area planted expanded during 1975/76, causing a 30-percent increase in sugarcane output to 1.6 million tons. Jute production decreased again in 1975/76, continuing the 30-year decline to a level of 38,000 tons. One reason for this decline was the lack of diesel fuel, which decreased irrigation capability. Small increases in the output of beans and pulses were recorded in 1975/76.

Agricultural Trade

More than 60 percent of Burma's export earnings are derived from rice and timber. Burma's export sector is therefore vulnerable to price fluctuations in the world market for these commodities. A strength of the trade sector, however, is that Burma is nearly self-sufficient in petroleum and thus not greatly affected by increased petroleum prices.

Rice exports during 1976 totaled 633,000 tons valued at \$112 million. This is much larger than 1975 total rice exports of 286,000 tons. The Government goal is to increase rice exports to 1 million tons by 1981.

Exports of teak and other hardwoods in 1975/76 declined slightly, in both volume and value, because transportation bottlenecks limited the availability of logs for export. Teak exports were valued at \$37.7 million, compared with earnings of \$43 million in 1974/75. Other hardwood exports were valued at around \$1 million in both years.

U.S. agricultural exports to Burma in 1976 were valued at \$40,000, compared with \$115,000 in 1975. The major item in 1975, cottonseed, was not imported at all in 1976. Some increases in infant food and milk substitutes were noted in 1976.

Outlook

Burma is a country rich in both human and natural resources. The country, however, has endured low growth rates, trade imbalances, and unsatisfactory levels of employment, for many years. Many of these problems are due to the Burmese Government's goal of complete self-sufficiency. This effort to decrease dependence on imports for consumer and industrial goods has evolved over time into a general and officially sanctioned avoidance of foreign influence. This

self-imposed policy has left little room for improved trade, foreign investment, and technical cooperation.

With favorable weather and expanded export markets, the outlook for Burma's agriculturally based economy is reasonably fair, compared with

the stagnation of the previous decade. An increasing exportable surplus of rice is agronomically possible, but this will require adequate price incentives. Additionally, Burma has good prospects for increased foreign exchange earnings from timber. (Thomas H. Lederer)

HONG KONG

Agriculture accounts for 1 percent of GDP. Major agricultural exports are vegetable preparations and bakery products. Major agricultural imports are cotton, livestock, rice, fruits, and vegetables.

Economic recovery in developed nations during 1976 bolstered demand for Hong Kong's exports of textiles, electronics, toys, and many consumer items, such as television sets, watches, and processed foods. Hong Kong's GDP increased about 16 percent to almost \$8 billion. Export sales for most items exceeded earlier estimates, and many laborers idled by the 1974/75 recession went back to work in busy factories. Unemployment fell from 8 percent in 1975 to 6 percent in 1976.

Over 90 percent of Hong Kong's industrial output is exported. Clothes and textile products accounted for nearly half of all exports in 1976. These were valued at about \$6 billion—a level that exceeds the value of exports in either the Peoples Republic of China (PRC) or in India.

Foreign investment increased as capital from Asian countries, Europe, Japan, the United States, and OPEC flowed into prosperous banks and the active stock market. An economic policy of free trade and minimum regulation of private enterprise attracted more money in 1976 than in any year since 1973.

As world economic conditions gained momentum in 1976, manufacturers in Hong Kong were able to quickly supply surprisingly large orders for many items in foreign markets. Hong Kong's flexible banking system, flush with funds for business loans, provided financial help to give exporters an early lead over competitors in supplying the rising world demand for textiles. For example, Hong Kong's exporters made spectacular gains in 1976 in exports of quality fashion garments and men's suits and shirts. Exports of clothes to North America almost doubled in 1976, and sales to OPEC increased even faster.

In the midst of Hong Kong's current prosperity is the concern that within only 20 years (1997) the British lease on the 365 square miles known as "The New Territories" expires. Peking has indi-

cated at various times that negotiations to renew the lease will be considered. Despite the uncertainty, extensive new construction of factories and apartments is underway in areas of "The New Territories" near Kowloon. Hong Kong Island and the 3.75 square miles known as Kowloon are not part of the lease agreement and should remain in British possession after 1997, according to the Peking Treaty of 1898. Hong Kong receives special consideration from Peking policymakers for several reasons. First, it is a convertible currency market for Chinese products valued at about \$1.5 billion annually. Second, Hong Kong is an important center for banking, technical information, tourism, and trade center providing services for much of Asia as well as for the PRC.

Agricultural Production

Output of livestock products accelerated as imports of corn from Thailand increased sharply. Imports of soybean meal and other feed ingredients from the United States and Latin America allowed Hong Kong farmers to boost output of pork and poultry by over 6 percent. Relatively low prices for imported feed ingredients and rising demand for meat allowed farmers to increase their profits. Over half of the poultry and a seventh of the pork consumed in 1976 were provided by local farmers.

Vegetable output continued to rise at the expense of rice. Multiple-cropping of vegetables became more intense on 5,000 hectares in the lowlands. Farmers often produce as many as six crops of vegetables in 12 months from a small plot of land. They specialize in high-quality lettuce, cabbage, tomatoes, and root crops. Intensive farming and excellent marketing opportunities allow farmers to earn higher income than do urban families.

Agricultural Trade

During the last 3 years, the value of Hong Kong's agricultural imports for each of the following commodity groups exceeded \$200 million: livestock and livestock products, cereals, cotton, wool, and horticultural products.

The People's Republic of China supplies over half of Hong Kong's food imports. With its close proximity and its ready availability of foods preferred by Hong Kong's Chinese population, it is the largest supplier of Hong Kong's agricultural imports. The value of agricultural imports increased from \$883 million in 1972 to \$1.6 billion in 1974. But, lower world prices for rice, sugar, and wheat kept the value below \$2 billion in 1976.

The PRC provides over 96 percent of Hong Kong's imports of live hogs, which increased from 2.5 million head in 1974 to 2.7 million in 1976 for a value of about \$200 million. Hong Kong is the world's largest importer of hogs, live poultry, ginseng, and some fresh vegetables, such as water chestnuts.

Imports of all fruits and vegetables from the PRC in 1976 were valued at about \$120 million, up from \$106 million in 1975. Imports of apples totaled 53,000 tons in 1976, valued at \$22 million, including 32,000 tons from the PRC and 14,000 tons from the United States. The PRC supplied 86 percent of the 54,000 tons of pears Hong Kong imported in 1976. In contrast, the value for rice imports in 1976 was about a fourth below the \$72 million recorded in 1975. Imports of meat from the PRC neared \$100 million in 1976 and imports of Chinese eggs reached \$50 million.

The United States is the second major supplier of agricultural imports. Cotton, fruit, wheat, ginseng, animal feed, and frozen poultry were major items supplied by the United States in recent years. U.S. agricultural exports to Hong Kong increased from \$130.3 million in 1975 to a record \$206.1 million in 1976 a gain of 58 percent (table 5). Cotton exports to Hong Kong almost tripled between 1975 and 1976, rising from less than 16,000 tons to more than 40,000 tons, and the value increased from \$14.6 to \$51.9 million. Cotton thus accounted for over half the total increase in the value of U.S. agricultural exports to this thriving industrial center in 1976. Marked gains also occurred for U.S. sales of frozen poultry, wheat, ginseng, and fruit products. Modest gains occurred for our exports of oranges, poultry, feed, and tobacco.

Strong demand from textile manufacturers and difficulty in obtaining cotton and yarn from Pakistan contributed to the rebound in U.S. cotton exports.

New shipping facilities have recently allowed U.S. exporters to develop a new market for eggs in Hong Kong. Egg imports increased from 47,828 tons in 1974 to about 60,000 tons valued at \$56 million in 1976.

Hong Kong is the second major export market for U.S. oranges. Total imports of oranges reached a record 138,000 tons in 1976, worth \$55 million,

including 102,000 tons from the United States and about 20,000 tons from the PRC.

The PRC, Thailand, and Australia supplied most of the rice imports in 1976. A reduction in China's spring rice harvest apparently affected deliveries to Hong Kong. Total rice imports were slightly above the 342,816 tons reported in 1975. Imports of Thai rice exceeded 180,000 tons in 1976, and arrivals from the PRC declined. Hong Kong was a market for 66,000 tons of U.S. rice, valued at \$27 million in 1973, but no U.S. rice arrived in 1976.

U.S. wheat exports to Hong Kong climbed 62 percent in 1976 to a record 102,000 tons. Output of flour by a mill using U.S. wheat increased, and exports of Hong Kong's bakery products to the Mideast, United States, and Oceania flourished.

The United States provided about three-fourths of the 60,000 tons of animal feed imported in 1976, up from 43,514 tons in 1975. Most of these imports were fed to chickens and ducks. Corn imports increased 10 percent in 1975 to 163,140 tons, including 125,742 tons from Thailand and 33,738 tons from the PRC. Thai deliveries of corn increased by 15 percent in 1976, and arrivals from the PRC declined.

Imports of U.S. frozen chickens rose to 20,000 tons in 1976, and arrivals from the PRC fell slightly to 11,641 tons. Imports of Danish poultry also declined.

Beef imports in 1976 were triple the 1974 level of 5,770 tons. Australia and New Zealand supplied over 80 percent of the beef imports. The PRC, Indonesia, and Thailand supplied most of the 200,000 cattle imported by Hong Kong in 1976.

Hong Kong has developed a thriving export trade in processed foods and beverages, particularly to Oceania and to countries in Asia and Africa where the current market is not large enough to support large food and beverage processing factories. The United States shared in this market. The value of U.S. imports of special restaurant foods, other foods, and bristles rose 28 percent in 1976 to a record \$13.6 million.

Outlook

Hong Kong has contracted for 83,000 tons of U.S. cotton so far in the 1976/77 season, making Hong Kong the third largest foreign market (following Japan and Korea) for U.S. cotton. Textile manufacturers in Hong Kong made large purchases of U.S. cotton before prices increased sharply late in 1976. They are likely to follow through on contracts for cotton because of the strong demand for textile exports and the bargains they obtained before cotton prices climbed.

U.S. cotton exports to Hong Kong in 1977 are likely to double the 40,000 tons recorded in 1976.

And the value may reach \$156 million—triple the \$52 million recorded in 1976. Further gains in sales of U.S. frozen poultry, fruits, and animal feed are anticipated in 1977.

There is an apparent correlation between economic conditions in Hong Kong and U.S. exports to this market. Economic activity was in high gear

in 1976, and the outlook for 1977 is even better. Total U.S. agricultural exports to Hong Kong in 1977 might reach \$300 million, mostly because of the spectacular gain already scheduled for cotton. Most of Hong Kong's imports of rice, corn, and traditional foods will continue to come from Asian suppliers this year. (*John B. Parker, Jr.*)

INDIA

Agriculture accounts for 45 percent of the GDP. Major agricultural products are rice, wheat, sugar, and oilseeds. Major agricultural exports are sugar, tea, peanut meal, tobacco, cashew kernels, and coffee. Major agricultural imports are vegetable oils, cotton, wheat, and rice.

Bountiful supplies of grain, record exports of oilseed products, and reduced inflation were highlights of economic activity during 1976. The exceptionally favorable 1975 monsoon rainfall contributed to a record food grain harvest of 120.8 million tons in 1975/76. This record production, combined with large imports of wheat, enabled Government grain stocks to reach 18 million tons in December 1976—10 million tons above a year earlier. However, new marketing regulations resulted in a sharp decline in private stocks held by grain merchants.

India's GNP at current prices will approach \$93 billion in 1976/77, with 45 percent coming from agriculture. Prime Minister Indira Gandhi launched the New 20-Point Economic Program in July 1975. This may have helped to prevent strikes in 1976. Industrial output rose by 7 percent. But the program brought hardship for grain traders and large farmers.

Large export orders from Mideast customers helped bolster output of steel, aluminum, and light manufacturing plants. Greater domestic demand revived the stagnant textile industry. Industries related to agricultural inputs performed well in 1975/76 with record output of fertilizer, tractors, pesticides, and farm tools. Fertilizer output reached 1.8 million nutrient tons in 1975/76, and 30,000 tractors were assembled.

About 820,000 workers were employed in about 650 textile mills in 1976. An additional 10 million people worked in small cottage industries producing clothes, household textiles, and handicrafts. A public corporation, the National Textile Corporation, now manages over 100 textile mills which were unprofitable under private ownership.

Government marketing controls caused food prices to decline about a fifth in 1975, and further

declines occurred early in 1976. Many consumers found it less costly to buy wheat directly from farmers and small merchants than to pay the Government price of 15 cents per kilogram in fair price shops. As open market prices increased late in 1976, sales of wheat and rice at fair price shops also began to rise.

Farmers received record receipts for sales of wheat, rice, peanuts, cotton, tea, coffee, and pulses in 1975/76. These sales, plus much higher wages for farm labor, provided greater purchasing power in rural areas. Sharp gains in rural incomes contributed to the spectacular rise in consumer demand for cotton products and vegetable oils, which may result in record imports of these items in 1977.

Agricultural Production

Monsoon rainfall in 1976 was erratic, and its early ending in September caused yields of rice and coarse grains to decline. In contrast, rainfall during the summer of 1975 was almost ideal in quantity, timing, and distribution for excellent crop yields. The harvest of a record 120.8 million tons of food grains in 1975/76 reflected the benefits of favorable weather in 1975 and greater use of HYV wheat, rice, and fertilizer. The 1976/77 crop is estimated at about 110 million tons of food grains (tables 6 and 7).

The greatest breakthrough in rice production occurred in 1975, when excellent rainfall and ample supplies of irrigation water allowed yields to benefit from expanded plantings of new varieties and greater fertilizer use. Output of milled rice increased from 40 million tons in 1974 to a record 49.5 million tons in 1975. The latest estimate for 1976 production was 44.6 million tons. Average yields for the 13 million hectares of HYV rice rose to about 2 tons per hectare in 1975, and the average for all rice was 1.25 tons per hectare. Yields for traditional varieties were less than half those for HYV rice, partly because traditional varieties were planted on less fertile land and received less fertilizer and irrigation water. Poor seasonal distribution of rainfall and problems in maintaining a

steady flow of irrigation water hampered 1976 yields. Severe attacks from brown leafhoppers also crippled yields in some areas of southern and eastern India.

The 1976 wheat harvest reached a record 28.3 million tons, up 17 percent over 1975. The area harvested increased from 18 million hectares in 1975 to 20 million hectares in 1976, including 13.7 million hectares of high-yielding varieties. Greater availability of irrigation water, timely winter rains, and more widespread use of fertilizer contributed to the rise. The outlook for wheat production in 1977 is less favorable, with harvested area down slightly from the 1976 level. Also, very little rainfall occurred in the wheat areas from late in September 1976 through February 1977, the snowpack in the Himalayas was less, and insect damage greater.

India's output of coarse grains in 1975 was 29.8 million tons, 17.3 percent above 1974 but slightly below the peak of 30.4 million tons in 1970. Corn production reached 7 million tons in 1975, but output of sorghum and millet remained below expectations. Corn production fared well again in 1976, but some decline was reported for yields of sorghum and millet. Sorghum output fell to about 9.1 million tons in 1976.

A rebound in pulse production occurred in 1976 because of higher yields for chickpeas and various types of beans grown during the summer. Total output of pulses increased 15 percent in 1976 to 12.9 million tons, although the area planted increased only 8 percent. Excellent soil moisture at planting time and greater use of improved varieties contributed to the rise in yields.

Production of fresh vegetables and root crops increased about 12 percent in 1976 to over 35 million tons. Potato output increased 19 percent to a record 7.4 million tons. Production of onions, tomatoes, eggplant, and melons each exceeded 1 million tons in 1976. Cassava output was constant at about 6.3 million tons.

Fruit production in 1976 was slightly above the 15 million tons harvested in 1975. New mango orchards came into production, and mango output was about 8 million tons. Banana production rose about 6 percent to 3.8 million tons. Output of oranges and guava were each about 1 million tons. Grape production increased markedly to about 240,000 tons.

Yields for two important cash crops of western India—peanuts and cotton—were down more than anticipated for 1976. The recent estimate for 1976 peanut production was 5.8 million tons, down from a record 7 million tons in 1975. Poor timing of rainfall and serious attacks from pests and diseases were responsible for lower peanut yields. Recent estimates indicate that the 1976 cotton harvest was slightly below the poor 1975 harvest.

Jute output increased 29 percent in 1976 over 1975 because of an increase in area and fertilizer use. Tea production increased 3 percent to a record 502,000 tons, and coffee output rose 6 percent to 103,000 tons. Output of tobacco declined 4 percent to 369,000 tons because of a shift to cotton in some areas of southern India.

Output of mutton, goat, and poultry meat pushed total production to 1 million tons. Milk output increased 6.5 percent in 1976 to 16 million tons as commercial dairies expanded.

Agricultural Trade

Characteristics of India's agricultural trade in the seventies have been very different from the sixties when large imports of grain, cotton, and vegetable oils under P.L.-480 occurred. Great changes occurred with India becoming a major cash market for U.S. farm products.

As India's foreign exchange from exports rose, the method of financing grain imports changed. Cash purchases became dominant. About 97 percent of the 21 million tons of wheat shipped to India during 1963-66 were financed under P.L.-480, in contrast to only 10 percent of the 12 million tons delivered during 1973-76.

With only \$1 billion in foreign exchange reserves in 1974, grain imports were given high priority followed by imports of fertilizer and other inputs for grain production. Imports of vegetable oils were given a low priority. With a favorable balance of trade in agricultural commodities and rising foreign exchange reserves (Indians working in other countries sent back over \$1 billion to India in 1976), requests for imports of vegetable oils, cotton, and other previously low priority items received more favorable consideration. Emphasis is now placed on improving the national diet and maintaining adequate grain stocks. The ban on grain exports continues, except for 30,000 tons of Basmati rice.

India's agricultural imports and exports, averaging about \$1.6 billion per year, were in near balance during the last 2 years. Before import demand for vegetable oils and cotton began rising so surprisingly early in 1977, it appeared that total agricultural exports for 1977 would have been double the value for agricultural imports. Now, it appears that India may use some of its \$3 billion in foreign exchange reserves to import more soybean and palm oil to calm spiraling prices for cooking oil. Also, booming domestic sales and exports of textile products should trigger an astonishing increase in cotton imports.

India's total imports increased slightly in 1976 to \$5.6 billion, mostly because of the rise in value of petroleum imports from Iran and the Arabian Peninsula. Imports of all products from the United States and Iran each exceeded \$1 billion.

Total agricultural imports increased from \$432 million in 1972 to \$1.7 billion in 1975, with wheat imports increasing from \$28 million to \$1.4 billion. The value of wheat imports fell to \$846 million in 1976 because of lower prices. Larger imports of cotton, vegetable oils, wool, and dairy products caused the total value for agricultural imports in 1976 to remain near the 1975 peak (table 8).

Total grain imports declined from 7.4 million tons in 1975 to 6.5 million tons in 1976. Wheat imports, falling from 7 million to 5.8 million tons, accounted for most of the decline. The U.S. share fell from 4.6 million to 4.1 million tons, and arrivals from the European Community plummeted to only 470,000 tons down from 1 million tons in 1975. The United States was the major supplier of sorghum and rice imports made by the Food Corporation of India in 1976. India's trade data seldom includes rice delivered by private traders from Nepal to merchants along the border.

The United States supplied about half of India's total agricultural imports in the last 2 years. The European Community, Australia, Canada, Argentina, and Malaysia (for palm oil) were other major suppliers.

U.S. agricultural exports to India reached a record \$774 million in 1976-up 2 percent from the previous peak of \$760 million in 1975 and almost 9 times the \$87 million recorded in 1972. Prior to 1973, over 95 percent of U.S. agricultural exports to India involved P.L.-480 financing or U.S. Agency for International Development commodity loans. In contrast, over 85 percent of the shipments during the peak years of 1975 and 1976 were made under commercial sales arrangements. So far, only 50,000 tons of soybean oil for \$26 million have been provided under Title I, P.L.-480, for 1977 delivery.

The United States sent 51,000 tons of soybean oil to India late in 1976 for \$18.7 million up from only 3,000 tons in 1975. The previous peak in U.S. exports of soybean oil to India occurred in 1971, when 157,000 tons were shipped. U.S. exports of peanut oil to India increased from 1,122 tons in 1975 to 15,468 tons, valued at \$17.3 million in 1976. Although some increase in U.S. shipments of peanut oil to India are expected this year, most of the expansion in deliveries of cooking oil will consist of lower priced soybean oil. Estimates for U.S. exports of soybean oil during 1977 range from 250,000 to 350,000 tons.

The value of India's agricultural exports increased from \$780 million in 1972 to \$1.6 billion in 1975 (table 9). The value of sugar exports rose from \$16.7 million to \$567.7 million during this period. The volume of sugar exports fell from 1.1 million tons in 1975 to 843,000 tons in 1976. Lower sugar prices caused the value to decline about \$220 million in 1976. Yet, gains in the value of tea, cof-

fee, oilcake, and peanut exports allowed total agricultural exports to increase slightly in 1976 (table 9).

Total exports rose from \$3.9 billion in 1975 to almost \$5 billion in 1976 because of larger exports of jute manufactures, oilseed products, steel, and construction materials. Jute and cotton textiles accounted for about a seventh of India's total exports in 1976.

The United States took about half the jute textile exports and was the leading foreign market for India's exports in 1976. U.S. imports from India reached \$700 million in 1976 up 50 percent over 1975 because of larger imports of jute carpet backing, diamonds, minerals, tea, and coffee. Success in exports of various products needed in Mideast countries where a construction boom is underway caused India's total exports to this region to reach \$1 billion in 1976 double the 1975 value. The USSR and the United Kingdom were major markets for cotton textiles. Exports to the USSR surpassed \$600 million in 1976, including almost \$400 million for agricultural commodities. Higher prices for tea, coffee, and peanuts contributed to the increase.

Outlook

Political events are not likely to alter India's drift toward a more flexible trade position. Industrial output is likely to increase by 6 percent in 1977 because of booming export sales and the momentum currently evident in India's domestic demand. India's GNP should soon reach \$100 billion at current prices. Per capita income is likely to rise from \$143 in 1976 to over \$150 in 1977. This will have a great influence on the demand for food and clothes. Population growth of 2.1 percent is expected in 1977 down from 2.5 percent in 1971.

India's cotton imports in 1977 might reach a new record, even surpassing the levels of early in the sixties. Total cotton imports are estimated at 900,000 bales in 1977, including more than 300,000 bales from the United States for a value of \$150 million to \$200 million. Despite recent purchases of cotton from Latin America and Sudan, sales of U.S. cotton will still be larger than any of the last 5 years. It now appears that cotton or vegetable oils could move ahead of wheat to become the leading U.S. farm export to India in terms of value during 1977.

At this stage, it is not fully known what effect the dry 1976/77 winter will have upon the wheat crop which will be harvested in the spring of 1977. Unless good showers occur in March or April, some resumption of wheat imports by India will probably begin during mid-1977. Current estimates indicate that the level of U.S. wheat exports to India in 1977 will be down possibly to a level of 1 million tons. The Indian Supply Mission in Washington

Table 8.--India: Agricultural imports, quantity and value, annual 1970-76

Commodity	Quantity										Value									
	1970	1971	1972	1973	1974	1975	1976	Preliminary:			1970	1971	1972	1973	1974	1975	Preliminary			
										1,000 tons										Million dollars
Wheat 1/.....	3,587	1,907	356	2,230	4,459	7,181	5,832				266.6	156.5	28.1	295.8	711.2	1,404.3				
Wheat flour.....	3	6	1	5	1	1	2				.6	.8	.2	1.2	.2	.2				
Rice 2/.....	583	540	301	264	110	237	95				80.5	84.3	54.3	78.6	39.8	65.5				
Corn.....	6	5	3	2	3	3	3				.4	.4	.2	.5	.8	.8				
Sorghum.....	33	2	--	1,188	687	204	534				2.2	.2	--	125.7	82.1	31.7				
Total Cereals..	4,212	2,462	661	3,693	5,261	7,626	6,466				350.4	242.2	82.9	501.8	834.2	1,502.5				
Soybean oil.....	79	77	66	73	19	4	140				27.8	28.0	25.8	31.4	11.0	3.3				
Rapeseed oil....	--	--	--	28	25	6	40				--	--	.1	13.4	11.8	6.3				
Palm oil.....	--	1	1	52	53	18	50				--	.2	.2	19.2	17.0	7.6				
Other veg. oil..	79	79	68	154	99	2	20				1	.7	.9	1.2	1.9	1.2				
All veg. oils...	136	156	130	74	14	35	58				29.0	28.9	27.0	65.1	41.8	18.4				
Cotton.....	25	19	17	10	13	14	18				127.3	150.0	135.7	81.2	29.0	38.3				
Wool.....	1	108	54	62	13	76	110				26.2	18.0	17.4	21.1	34.5	27.7				
Jute.....	12	8	8	7	2	2	2				.2	24.0	15.0	16.4	2.6	16.0				
Sisal.....	79	49	36	58	28	36	47				1.9	1.3	1.5	2.7	1.5	1.1				
Dates.....	6	10	10	9	9	9	10				5.4	5.2	4.7	7.4	5.1	7.4				
Raisins.....	17	13	19	10	13	13	15				3.8	5.4	5.3	6.1	7.6	6.7				
Grapes.....	26	39	42	29	35	34	48				3.5	3.3	4.6	2.9	4.5	5.2				
Dry milk.....	4	3	6	4	6	7	7				8.1	16.0	23.4	16.8	28.5	18.9				
Butter.....	70	94	65	59	43	7	18				2.9	3.4	4.4	3.1	5.0	5.0				
Tallow.....	4	4	5	6	4	4	4				15.7	21.9	12.6	14.9	24.0	3.1				
Pulses.....											.5	.5	.5	.7	.7	.7				
Other.....											83.2	95.9	96.5	99.2	104.7	95.0				
Total.....											658.1	616.0	431.5	839.4	1,123.7	1,746.7				

1/ Includes Food Corporation of India imports and some arrivals for international relief agencies.

2/ Excludes border trade with Nepal.

N A = not available.

Sources: Monthly Foreign Trade of India, Agricultural Attache Reports, and ERS estimates.

Table 9.--India: Agricultural exports, quantity and value for major commodities, annual 1971-76

Commodity	Quantity						Value						Preliminary	
	1971	1972	1973	1974	1975	1976	1971	1972	1973	1974	1975	1976	1976	
			1,000 tons						1,000 dollars					
Tea.....	200	203	188	206	219	225	201.8	203.3	185.4	232.2	293.2		370.0	
Sugar.....	415	108	169	517	1,125	843	49.7	16.7	33.0	238.2	562.8		272.0	
Coffee.....	62	42	58	49	60	63	50.8	32.7	60.9	62.4	71.2		102.0	
Cashew kernels.....	58	65	57	55	59	52	76.0	88.7	96.3	121.2	123.8		153.0	
Peanut meal and cake.....	633	665	749	679	536	1,150	50.1	57.2	138.2	109.6	66.8		115.0	
Cottonseed cake.....	65	108	256	146	192	220	4.4	8.0	37.5	20.0	19.0		28.0	
Linseed cake.....	24	15	80	51	73	88	1.8	1.2	12.4	7.6	9.8		12.3	
Other oilcake and meal...	58	68	106	62	99	122	2.5	2.2	12.0	5.4	6.4		9.7	
Total oilcake and meal...	780	856	1,191	938	900	1,580	58.8	68.6	200.1	142.6	102.0		165.0	
Tobacco.....	55	80	83	80	78	77	53.9	75.9	80.4	101.3	119.2		120.3	
Peanuts.....	28	25	31	88	70	192	8.2	7.0	14.4	44.7	38.6		104.0	
Cotton.....	36	68	38	37	25	50	5.7	19.8	51.3	28.3	22.5		55.0	
Jute.....	12	62	19	75	18	80	4.4	19.6	4.5	20.7	5.4		24.0	
Wool.....	6	6	6	5	3	4	5.1	6.0	9.5	8.8	5.0		6.0	
Silk.....	1	1	3	3	2	3	.6	.8	6.0	4.1	3.1		4.0	
Wheat.....	5	262	410	--	3	3	.5	29.8	60.1	.2	1.3		1.4	
Rice.....	16	15	18	41	11	24	3.2	3.5	4.3	25.9	12.1		19.0	
Pulses.....	25	17	8	6	7	7	5.2	4.2	2.1	2.2	2.2		3.0	
Pepper.....	22	22	28	29	24	19	22.0	19.9	29.8	41.9	40.6		58.0	
Rubber.....	--	1	2	2	2	5	--	.1	1.0	1.0	1.0		2.1	
Onions.....	88	39	57	70	112	123	3.5	2.8	4.7	6.5	11.9		21.0	
Potatoes.....	2	3	4	3	5	52	.2	.3	.3	.2	.5		6.7	
Other.....	N A	N A	N A	N A	N A	N A	158.8	180.1	171.3	293.7	160.6		155.5	
Total.....	N A	N A	N A	N A	N A	N A	708.4	779.8	1,015.4	1,376.1	1,577.9		1,642.0	

N A = not available.

Sources: Monthly Foreign Trade of India, Agricultural Attache Reports, and ERS estimates.

closely monitors U.S. supplies of grain, and occasionally it makes surprise purchases when bargains become available. So, previous estimates could be revised considerably above the level of 1 million tons indicated in January 1977. The winter drought reduced prospects for rabi crops, particularly wheat, barley, and pulses. India might buy more wheat and sorghum while world prices are low. Government stocks of grain fell from 18 million tons in December 1976 to about 16 million tons in March 1977. Open market prices for wheat and rice increased more than 3 percent in the first 2 months of 1977. Government procurement of rice so far in 1976/77 is well below the comparable period for 1975/76.

Ample food supplies in 1976 provided about 2,170 calories a day for the average Indian, 8.5 percent above the 1975 level. Hunger, however, still remains a problem for the poor, who spend over 60 percent of their income on food. The Government recognizes this situation and places great emphasis on improving the national diet and acquiring and maintaining adequate grain stocks in contrast to the previous policy of limiting grain imports. Plans call for India to have food available to provide 2,350 calories per day for each of its 700 million people by 1980.

Total imports of vegetable oils in 1977 are expected to range between 600,000 and 800,000 tons, possibly including up to 300,000 tons of U.S.

soybean oil. Brazilian soybean oil, Malaysian palm oil, and Canadian rapeseed oil will also be major items.

Another commodity scheduled for much larger imports by India in 1977 is tallow. Exports of U.S. tallow to India in 1977 might be more than triple the 14,000 tons delivered in 1976 for \$5 million. U.S. tallow exports to India reached a peak of 152,000 tons for \$31 million in 1971. Competition from palm oil caused a decline in the use of imported tallow by India's major soap manufacturers. The boom in soap output by small factories and cottage industries has contributed to a rebound in demand for imported tallow.

U.S. exports to India of bulgur, blended foods, and nonfat dry milk for distribution by international relief agencies might reach \$100 million in 1977—up from \$49 million in 1976. U.S. agricultural imports from India in 1977 are likely to reach \$250 million up from \$191 million in 1976. Higher prices for coffee and tea will cause much of the increase.

India's total agricultural exports are likely to increase in 1977, despite further reductions in sugar exports. Higher prices for tea, coffee, oilcake, cashew kernels, spices, and tobacco might add more than \$250 million to the value for exports of those items in 1977. A marked increase in exports of potatoes, onions, and bananas to Mideast markets is scheduled. (*John B. Parker, Jr.*)

INDONESIA

Agriculture accounts for 40 percent of GDP. Major agricultural products are rice, rubber, cassava, corn, and tobacco. Major agricultural exports are rubber, coffee, palm oil, tea, tobacco, and pepper. Major agricultural imports are rice, wheat, and cotton.

During 1976, Indonesia made significant progress toward recovering from the financial crisis of Pertamina, the state oil company. International reserves, nearly depleted late in 1975 as an immediate consequence of that crisis, stood at a record \$1.5 billion at year's end, based mainly on the strength of strong export performance and a better managed economy. Finances were placed under tighter contracts as the Government restructured the unanticipated Pertamina-contracted debt burden and simultaneously attempted to reduce inflationary pressures. The Jakarta cost-of-living index climbed only 14 percent in 1976, compared with 20 percent in 1975 and 33 percent in 1974. A real growth of about 8 percent was achieved in 1976.

Maintaining a large national stock of basic necessities and essential commodities such as oil, rice, sugar, textiles, cement, and fertilizer was an effective means of checking the inflation rate. In recent years, a drastic reduction in the stocks of one or more of these items has forced prices to rise rapidly.

Huge oil exports totaling \$5.94 billion in 1976 paved the way toward an excellent trade year. With non-oil exports reaching \$2.18 billion, total exports were \$8.12 billion, compared with imports estimated at \$6.4 billion, leaving a surplus of more than \$1.7 billion.

Agricultural Production

Agricultural output was generally sluggish in 1976, with most crops somewhat adversely affected by the prolonged summer drought. Rubber and palm oil posted sharp gains, rice output was about the same as the 1975 crop, and corn was down slightly. Except for palm oil, prices were generally stronger in 1976.

Although rice output reached a record 15.4 million tons, it was only slightly higher than the amount produced in both 1974 and 1975 and was 1 million tons below the targeted output. The main season crop (April-June) was hampered by flooding and another outbreak of the "wereng" pest infestation. The dry season harvest (October-December) was adversely affected by a summer drought which delayed planting. Unlike prior years, rice stocks were never at a low level during the year, as contingency plans were implemented early and large import arrivals filled the production shortfall.

Adverse weather was also mainly responsible for a decline in corn production in 1976, with output slipping for the second straight year. Corn production reached 3.0 million tons in 1974, dropped to 2.6 million tons in 1975, and fell to 2.5 million tons in 1976. Area harvested fell as well to 2.35 million hectares in 1976.

Rubber output climbed about 5 percent to 1 million tons in 1976, as Government replanting efforts, which commenced with the First 5-Year Plan in 1968, continued to pay off. A higher tapping intensity in response to stronger prices also aided the boost in output.

Palm oil production made a sizable gain for the third consecutive year, with output expanding by 15 percent to 473,000 tons. Large World Bank and Asian Development Bank loans early in the seventies enabled Indonesia to rehabilitate its once-thriving oil palm industry and take advantage of higher yielding varieties. Productive oil palm area has risen to 155,000 hectares.

Indonesia's coconut replanting efforts are just beginning to reap benefits. Most of Indonesia's coconut trees are more than 40 years old, and many of them exceed 60 years of age. The Government has provided large subsidies to growers desiring to replant with younger trees. From a low of 1.07 million tons in 1975, copra output has risen to 1.28 million tons in 1976, allowing Indonesia to re-enter the export market after banning exports early in the seventies.

Use of Government extension programs is a major reason for the success of the Indonesian soybean and peanut industries. In 1976, soybean production totaled 600,000 tons, and peanut output advanced to 470,000 tons. Both commodities have increased 4 to 5 percent annually for the past 4 years.

Agricultural Trade

After a disappointing year in 1975, Indonesia's agricultural exports jumped 32 percent in 1976 to reach \$1.36 billion. Among the major contributors were rubber (up 40 percent to \$510 million), coffee (up 50 percent to \$152 million), palm oil (down 40

percent to \$106 million), tea (down 4 percent to \$51 million), tobacco (up 26 percent to \$48 million), and pepper (up 80 percent to \$41 million). Much of the increase was because of higher prices in 1976; coffee prices doubled, rubber prices were up 20 percent from 1975, and pepper prices rose 22 percent. Palm oil prices were sharply lower in 1976, causing the value to fall sharply.

Agricultural imports were also higher in 1976, rising 24 percent to \$800 million. Nearly all of the increase can be attributed to larger rice purchases, which totaled about 1.5 million tons and were valued at about \$350 million. Thailand was the major supplier, providing about 600,000 tons, with the United States providing 392,000 tons valued at \$93 million. Other significant suppliers included the PRC, Burma, Pakistan, and Australia. The higher import level in 1976 was originally planned by BULOG (rice procurement agency) to be used to replenish the stock level held at the beginning of the year, but production setbacks negated those plans.

Wheat imports reached 1.1 million tons in 1976 as Indonesian consumers continued to supplement their diet with bakery products. Since practically no wheat is grown in Indonesia, wheat imports are certain to expand as consumer incomes increase and wheat products become more a part of the daily diet. Most of the wheat comes from Australia and the United States, but Canada also provides substantial quantities.

Indonesia imported about 70,000 tons of cotton in 1976. The United States supplied 33,000 tons valued at \$49 million. Last year marked the first time that the United States did not furnish most of Indonesia's cotton imports. Other major suppliers were the USSR, Pakistan, Argentina, Hong Kong, and Japan.

U.S. agricultural exports to Indonesia nearly doubled in 1976 to \$234 million. The most significant change was in U.S. exports of rice, which rose from only 57,000 tons in 1975 to a record 392,000 tons in 1976. All of the shipments were under P.L.-480 and were sent toward the end of the year. U.S. wheat exports rose slightly in 1976 to \$56 million, offsetting the slight decline in cotton exports.

U.S. agricultural imports from Indonesia were also substantially higher in 1976, reaching \$406 million, compared with \$268 million in 1975. Nearly 85 percent of the imports came from rubber and coffee. U.S. rubber purchases were up slightly in volume to 355,000 tons, but they rose 46 percent in value to \$238 million. U.S. coffee purchases rose 41 percent in volume and 161 percent in value to \$105 million.

Outlook

Prospects for 1977 will depend mainly on two commodities—oil and rice. As a member of OPEC,

Indonesia agreed to a 10-percent oil price hike in January 1977 and a 5-percent increase in July. The oil price increase could affect exports of timber, tin, and rubber to Japan and the United States, but officials believe that an oil price increase of this magnitude will not hamper exports of other goods. Exports are likely to increase during 1977, but they will likely not match the 1976 upturn of 22 percent. Agricultural commodities such as rubber, palm oil, and copra should register healthy production and export gains.

Indonesia's agricultural import bill will again be large in 1977. Rice imports should decline from the 1976 level but still be about 1.1 to 1.2 million tons.

Thailand, the United States, and the PRC will again be major suppliers. The rice production goal of 17 million tons seems unlikely, based on performance during the past 2 years. Wheat and cotton imports should continue to rise in 1977, with the United States being a major supplier of both commodities.

Real growth should equal or exceed the 8-percent rate achieved in 1976. Although prices received for exports will not show a similar expansion in 1977, volume will certainly be higher. The Government's determination to check price rises should result in another drop in inflation during the year. (E. Wayne Denney)

JAPAN

Agriculture accounts for 6 percent of GNP. Major agricultural products are rice, vegetables, eggs, fruits, and pork. Major agricultural exports are mandarin oranges and dried mushrooms. Major agricultural imports are feed grains, wheat, sugar, cotton, and soybeans.

The Japanese economy showed moderate gains in 1976 (table 10). Real GNP increased 6.3 percent for the year, reaching a level of \$570 billion, or \$5,000 per capita. Real growth was brisk during the first quarter, showing gains of 3.2 percent, but it slowed to a rate of less than 1 percent in the fourth quarter. Retail prices increased 9.3 percent, wholesale prices 6.1 percent, and all prices 5.7 percent. The average unemployment rate for the year

was 2 percent, and real wages and salaries registered increases of 4.3 percent through the first 7 months of 1976.

Weaknesses in the mining and manufacturing sectors contributed to the second-half slowdown in the economy. Recovery in business profits were attributed more to increases in price than output. The distribution of the gains was uneven, leading to many bankruptcies during the year.

The international payments account was in surplus \$2.2 billion in 1976. Foreign exchange reserves stood at \$16.7 billion at the end of 1976. And the average exchange rate of the yen to the dollar was the same in 1976 as in 1975. But the yen's position against the dollar began to strengthen in the last half of the year.

Japan's exports in 1976 totaled an all time record high of more than \$65.3 billion. Imports stood at \$55.8 billion, leaving Japan with a trade surplus of \$9.5 billion. Among major exports, motor vehicles increased by 44 percent, color television sets by 76 percent, iron and steel by 30 percent, and ships by 18 percent. Exports to the United States were \$15.5 billion, and imports were \$10.2 billion. This left the United States with a \$5.3 billion trade deficit. Japanese exports to the European Community totaled \$7.2 billion, with imports only \$3.6 billion, leaving a surplus of \$3.6 billion in Japan's favor. Japan's exports to developing countries in 1976 exceeded its imports from developing countries by \$5.2 billion. Crude oil imports represented one-third of the total value of Japanese imports in 1976 and two-thirds of the total imports from developing countries.

Revenue per farm household, including Government subsidies and income of household members temporarily working away from home, increased 10 percent in Japan's fiscal year (JFY) 1975/76 (April-

Table 10—Japan: Economic indicators, 1972-76

Economic indicator	1972	1973	1974	1975	1976 ¹
<i>Percent change from previous year</i>					
Real GNP	9.1	9.9	-1.2	2.4	6.3
Retail prices	4.5	11.8	24.4	11.8	9.3
Wholesale prices	0.8	15.8	31.4	1.1	6.1
GNP deflator	4.8	11.6	20.7	7.5	² 5.7
Real wages and salaries ..	10.8	7.7	2.4	3.3	³ 4.3
Unemployment rate ...	1.4	1.3	1.4	1.9	2.0
<i>Billion dollars</i>					
Balance of payments, overall	4.7	-10.1	-6.8	-2.7	+2.2
Foreign exchange reserves, Dec. 31	18.4	12.2	13.5	12.8	16.7
<i>Yen per dollar</i>					
Exchange rate	308	272	292	297	297

¹ Preliminary estimate. ² Based on Jan.-Sep. 1976. ³ Based on Jan.-Jul, 1976.

March). This compared with a gain of only 1.5 percent recorded by industrial workers during the same period. Net income from farm sales was up 25.6 percent. Average agricultural income per farm household amounted to \$3,818, or 29.2 percent of gross income per farm household. Earnings from off-farm sources averaged \$7,441, a rise of 12.1 percent.

Agricultural Production

Total agricultural production in Japan dropped 5 percent in 1976 because of unseasonably cold temperatures and typhoon damage (table 11). There was a 7-percent decline in overall crop production and a 4-percent increase in livestock output. Real per capita agricultural output fell 6 percent.

Table 11—Japan: Agricultural production, 1975 and 1976

Commodity	1975	1976 ¹
<i>1,000 tons</i>		
Rice (brown basis)	13,165	11,772
Vegetables	12,835	12,805
Citrus fruit	4,230	3,755
Potatoes	3,300	3,750
Sweetpotatoes	1,418	1,279
Pulses	166	151
Pork	910	935
Poultry meat	756	837
Beef and veal	339	289
Eggs	1,788	1,950
<i>Percent change from previous year</i>		
Total crops	+5.2	-6.9
Total livestock	0	+4.2
Total agricultural	+4.3	-5.2
Per capita agricultural	+3.0	-6.3

¹ Preliminary estimate.

Rice continued to be the most important grain produced in Japan. Of the 5.5 million hectares of cultivated land in Japan, rice was produced on 2.8 million, or about half of the total arable land area. Rice area increased slightly in 1976, but unfavorable weather throughout the crop season caused production to drop 10.5 percent.

Despite reduced production, supplies were sufficient because of sizable carryover stocks. Government stocks as of November 1976 were estimated at 2.6 million tons (brown basis). The producer price for rice was increased in 1976 by an average of 7.3 percent to \$938.52 per ton (brown basis), and the Government resale price was increased 10.2 percent to \$755.15 per ton. The Government is trying to close the gap between purchase and resale prices over a 5-year period in order to reduce the strain of the support program on the national budget.

In an effort to encourage rice consumption, the Government raised the resale price of wheat an average of 16.4 percent in July 1976 to \$218.50 per ton, substantially above the break-even cost to the Government of \$185.50 per ton. The revenues that accrue from this program will be used for increased incentive payments to produce other crops and for the expansion of storage capacity.

Japan's mikan orange production dropped from 3.7 million tons in 1975 to 3.1 million tons in 1976. Mikan orange producers who faced surplus output and declining prices in recent years diverted some mikan plantings in 1976 to the production of other citrus fruit.

Throughout 1976, livestock producers enjoyed profitable operations. Feed prices were down relative to livestock prices. Pork wholesale prices, however, declined (after hitting a record high in August) because of the import duty waiver which induced a record inflow of imports. Domestic hog inventories stood at 8.58 million head in November 1976, a rise of 15 percent over February 1, 1976 Government census figures. Beef and dairy cattle numbers showed moderate increases, standing at 1.99 million and 1.87 million head, respectively, as of August 1, 1976. The continuing increase in the dairy herd is mainly due to more cows being held for milk and calving. Producer prices for whole fluid milk stayed at \$1.48 per gallon throughout 1976. Government support levels for manufacturing milk were increased from \$1.06 to \$1.13 per gallon on April 1, 1976.

A Government survey of sow numbers and farrowing intentions indicated a continuing increase in pork production in 1977, unless producer prices decline and feed prices rise above the level of about \$270 per ton. Pigs farrowed between August 1975 and July 1976 stood at 15.73 million head, a 2.8-percent increase over the previous period. Three-month-old feeder pig prices in 1976 remained high until mid year and then began to fall. Average prices were \$99 per head in January, \$112 in May, and \$66 in November.

There were 147.7 million layers and 92.9 million broilers on February 1, 1976, representing 1.4- and 6.0-percent gains, respectively, over the previous period. Poultry production increased in 1976 because of the 13.6-percent increase in young chicken production. Egg production in 1976 was estimated at 32.5 billion, a 9-percent increase over the previous year.

The fertilizer industry experienced a difficult year in 1976. Consumption of nitrogen, phosphate, and potash declined sharply in 1975/76. Fertilizer production declined 8.7 percent, and exports also declined. The wholesale price index for fertilizer declined 7 percent from 202.1 in October 1975 to 188.3 in October 1976 (1970=100).

Agricultural Trade

Japan's agricultural policy is directed toward achieving greater agricultural production and insuring stable supplies of agricultural products at relatively low prices to its population. The Government uses import duties, import quotas, State trading monopolies, and domestic price management to adjust the supply and demand of important agricultural commodities. Annual increases in the support price for rice have necessitated increases in the support prices for alternative crops in order to avoid surplus production of rice and excessive declines in the production of other agricultural products. Domestic agricultural policies have consequently affected agricultural trade between Japan and other countries.

By far the most important agricultural import is feed grains which are affected indirectly by quotas and tariffs imposed on meat imports (table 12). Imports of feed grains increased to 14.67 million tons in 1976, a gain of 11.5 percent over the previous year and indicative of profitable conditions in the livestock industry. The United States alone supplied 8.6 million tons—59 percent of the total—thus fulfilling an agreement reached with Japan in August 1975 that the United States would supply and Japan would purchase 8 million tons of feed grains each year for 3 years. Other important suppliers of feed grain to Japan in 1976 were Australia (1.7 million tons), Canada (1 million tons), Thailand (1 million tons), Argentina (1 million tons), and South Africa (900,000 tons).

Table 12—Japan: Imports of principal agricultural commodities, 1975 and 1976

Commodity	1975	1976	1975	1976
	1,000 tons		Million dollars	
Feed grains	13,155	14,673	1,962	1,938
Wheat	5,654	5,877	1,116	1,052
Sugar	2,470	2,439	1,679	962
Cotton	692	668	837	909
Soybeans	3,334	3,554	941	840
Pork	125	149	308	406
Tobacco	92	¹ 92	228	¹ 293
Beef	45	92	75	163
Citrus fruit	233	268	121	125

¹ Based on January-November data.

Imports of pork reached 149,000 tons in 1976, up 19 percent over 1975. The decline in pork prices during the course of the year led to the termination of the 16-month duty waiver on October 31, 1976. Japan's beef import quotas were doubled over the previous year's low level. Australia continued to supply over 80 percent of Japan's beef and veal imports.

Sugar imports fell slightly in 1976 to 2.4 million tons. The leading supplier was Australia (783,000

tons), from which Japan contracted to purchase at least 600,000 tons of sugar yearly until 1980. The agreement was signed when sugar prices were about double the current import price. Japan later asked Australia to reduce the contracted price, but Australia refused. Other important suppliers of sugar were Thailand (663,000 tons), South Africa (411,000 tons), and Taiwan (227,000 tons).

Wheat imports increased 4 percent to 5.9 million tons in 1976. The United States increased its share of total wheat imports from 53 percent in 1975 to 56 percent in 1976. Other important suppliers were Canada (1.5 million tons) and Australia (1 million tons). An increase in the Government's resale price of wheat had a dampening effect on consumption and may affect the size of wheat imports in 1977.

Soybeans continued to be imported in large quantities. In 1976, total soybean imports increased to 3.55 million tons, 6.6 percent over the previous year. The United States maintained its share of 92 percent. Imports from China dropped 45 percent from 1975. Brazil almost tripled its exports to Japan from 44,000 tons in 1975 to 126,000 tons in 1976. There was some concern over the rising price of soybean meal and declining price of soybean oil, both byproducts of crushed soybeans. Soybean meal users urged trading firms to import soybean meal and peanut meal to assure adequate supplies. Soybean meal imports in 1976 increased dramatically to 193,000 tons, more than a ninefold increase over 1975.

Cotton imports fell 3.5 percent in 1976. The United States was the largest single supplier, with 26 percent of the total. The Soviet Union was second with 16 percent, and the Central American countries together supplied 28 percent.

Outlook

Economic growth in Japan is closely tied to trade and therefore to economic conditions in other countries. Despite uncertainty about how the Japanese economy will be affected by the OPEC oil price increase in December 1976, the adoption of the 200-mile fishing jurisdiction by the United States and the USSR, and foreign criticism of Japan's \$9.5 billion trade surplus in 1976, the Japanese Government is projecting a real growth of between 6.5 and 7.0 percent for JFY 1977/78. OECD is projecting a 6.0-percent rate of growth for Japan in 1977.

The Japanese budget for JFY 1977/78 is presently under discussion. Spending increases of 17 percent over the previous budget to just under \$100 billion are being considered. A tax cut, along with increased expenditures on public works projects, are expected to help stimulate the economy in the second half of JFY 1977/78.

Agricultural trade will continue to be extremely important to Japan. Domestic policies designed to encourage rice consumption and divert rice area into production of other crops may have slight adverse effects on the imports of various commodities. The increase in the resale price of wheat is likely to cause wheat imports in 1977 to level off.

Continued profitability in livestock production

will sustain the demand for feed grains imports through 1977. The suspension of the duty waiver on pork will curb pork imports.

The anticipated real growth in the economy, combined with a strengthening of the yen against the dollar, will generally have a salutary effect on U.S. agricultural exports to Japan in the coming year. (*William T. Coyle*)

DEMOCRATIC KAMPUCHEA (CAMBODIA)

On January 5, 1976, the new constitution of Democratic Kampuchea (DK) outlined the governmental structure and confirmed that all ownership of the means of production is to be collective and all work decisions are to be made on a collective basis. The DK development policies give first priority to increasing agricultural production. Since the end of the war in April 1975, emphasis has been on rice production.¹ The main tasks are to improve water facilities during the dry season (October-April) and to improve fertilization and seed strains during the growing season. As a result of implementing these tasks during the past year, it is reported that about a third of the cultivated land now can be irrigated. Second priority in development policies is to restore industries and to convert them to support agriculture.

Agricultural Production

In 1976, rainfall was reported to have begun early and to have been sufficient during the sowing of the early and middle rice crops. But, less than normal rainfall was reported for the middle part (July-September) of the rainy season. The dry weather may have adversely affected the area of the late rice crop—since tender seedlings could have been killed by drought—or the yield of the middle crop. However, drier weather should have been beneficial for harvesting of the early crop. Year end reports state that both production and yield of total rice in 1976 exceeded 1975's "good" crop. The 1976 rice production was reported "sufficient" to meet the needs of the people for consumption, reserves, and seed, with some 150,000 tons surplus available for export. But it is still uncertain whether DK will have net imports of rice in 1977.

¹Three varieties of rice, which mature in 3, 4-4.5, and 6 months, are grown in Kampuchea. Single cropping is the most common method of growing rice, but about a tenth of the paddy fields reportedly now produce two crops each year.

There were few reports on other 1976 crops. However, rubber plantation restoration was reported to be proceeding quickly. It was announced at the end of July that more than half of the year's planned export of 20,000 tons of crepe rubber had already been shipped. Increased jute acreage planted also was reported, and progress was made in restoring jute bag producing factories. A recent PRC report states that there are now 1 million head of livestock and 500,000 water buffaloes in Khmer agricultural areas.

Trade

The direction of trade has shifted towards communist nations. Trade agreements in 1976 were signed with the PRC and North Korea. Late in the year, a DK trade delegation visited Albania, Romania, Yugoslavia, North Korea, and the PRC. Trade protocols for 1977 were signed with the PRC and Yugoslavia. It is also possible that trade with the West again will occur through the new DK trading office established in Hong Kong late in the year. Imports from Western nations would most likely consist of spare parts for existing industrial and communications equipment that is being restored.

In 1976, there were no agricultural imports from the United States and few from other non-communist nations. But one exception to the U.S. trade embargo with Democratic Kampuchea was made—a sale of 400 tons of a DDT-insecticide. Other 1976 DK imports, including about 800 tons of jute bags from Bangladesh, antimalarial drugs from France, and machinery from various countries, were arranged through Hong Kong intermediaries and collected there for a single shipment.

At least 13,000 tons of DK rubber were exported to the PRC and North Korea, and an unknown additional amount was reportedly sold to Singapore. There were few other known exports. But, small amounts of rice, dried fish, fruit, hides, and teak were apparently sold to Thailand and Laos in 1976.

Outlook

The apparently more stable political situation and continuing advancements in water control should improve the chances that rice production in 1977 will increase. Rubber—both crepe and latex—could again become a major DK export with continued restoration of rubber plantations. Although it appears that neither rice nor rubber output has reached its pre-1970 production levels, it

is likely that exports of these crops are being resumed quickly, on the basis of at best small production increases, in order to meet foreign exchange needs for imports. Since the level of "sufficiency" attained in 1976 probably provides only a minimum ration, the future of rice exports depends upon increases in rice production, the availability of other exports, and the increase in total consumption demand as the population rises and the level of the ration is raised. (Carolyn L. Whitton)

NORTH KOREA

In 1976, the last year of North Korea's 6-year plan (1971-76), the country reported a record grain harvest of 8 million tons. As for trade, deficits and payment of debts continued to be a problem in 1976. The year 1977 will be one of readjustment, in which the lagging transportation and mining sectors will be strengthened before embarking on a new long-term plan. The target for grain production, however, already has been set at 10 million tons. To increase grain production, North Korea expects to expand cultivated area by reclaiming land from the sea and to increase yields through irrigation, water control, and more scientific farm management.

North Korea claimed a record 8 million tons of grain was harvested in 1976. Claims for total grain production for the past few years is as follows (in million tons): 1972—3.9; 1973—5.3; 1974—7.0; 1975—7.7; and 1976—8.0. During the decade of the sixties, only modest gains in grain production were reported as yearly output fluctuated from 4 to 5 million tons. Then, very rapid increases were reported in 1973 and 1974. Grain yields increased 36 percent from 1972 to 1973 and 31 percent from 1973 to 1974. In 1975 and 1976, however, the 1973-74 rate of increase was not maintained. A yield increase of only 10 percent was obtained from 1974 to 1975. And in 1976, only a modest 4-percent increase in yields was achieved.

Agricultural inputs have been increasing in recent years, underwriting, perhaps, the claimed increases in yields. An average of 3-4 tractors per 100 hectares is claimed. One ton of chemical fertilizer (gross weight) is now claimed to be available for each hectare of land cultivated. Electrification was reported to have been completed in 1969. Formerly nonirrigated sloping fields have been leveled and terraced, permitting them to be irrigated and worked by farm machinery.¹

Trade deficits continue to be a problem for the North Koreans. They had estimated deficits of \$600 million in 1974, \$300 million in 1975, and about \$250 million in 1976. In past years, they purchased equipment mainly from firms in noncommunist countries, and now they are having difficulties meeting the payment schedules. Further purchases from firms in these countries probably will be determined by the North Korean payment of their debts. The composition of their trade continues to be exports of minerals, chemicals, metallurgical products, fabrics, and foodstuffs. Their imports consist mainly of machinery and equipment, petroleum, foodstuffs, and edible oils.

Regarding the outlook for 1977, a New Year's address by Kim Il-song, President of North Korea, designated the year 1977 as a "Year of Readjustment." In completing their 6-year plan, the transportation and mining sectors failed to keep up the targeted pace, and temporary strains in the economy were created. Priority will be given to eliminating strains in these sectors before embarking on a new long-term plan. Specifically, the new agricultural program is called the "Five Point Policy" and includes (1) the construction of projects to irrigate 400,000 hectares of nonpaddy fields (2) reconstruction of fields so that machines can be used and improvements in the soil made (3) construction of terraces on 150,000 hectares of fields with slopes of more than 16 degrees (4) afforestation and control of water and (5) the reclamation of 100,000 hectares of tidelands. (Frederick W. Crook)

Agricultural Situation in the People's Republic of China and Other Communist Asian Countries, Review of 1975 and Outlook for 1976, Foreign Agr. Econ. Rpt. No. 124, Econ. Res. Serv., U.S. Dept. Agr., Aug. 1976.

¹For a more complete discussion of developments of inputs in North Korea over the past few years, see *The*

REPUBLIC OF KOREA

Agriculture accounts for 25 percent of GDP. Major agricultural products are rice, vegetables, barley, and tobacco. Major agricultural exports are tobacco, silk, meat, ginseng, and vegetables. Major agricultural imports are cotton, wheat, corn, sugar, cattle hides, and soybeans.

A remarkable recovery in export growth and success in winning large construction contracts in foreign countries brought economic prosperity in 1976. Korea's economy is becoming more self-reliant, with less dependence on financing and aid from the United States and Japan. Trade is also becoming more diversified. Financial inflows and income for services from OPEC in 1976 increased faster than those from the United States or Japan. The GNP reached \$25 billion at current prices in 1976. This was 15 percent above 1975 in constant prices.

Larger crops of rice, barley, and vegetables allowed Korea to reduce dependence on imported food, although per capita caloric intake remained below the 1972 peak. Per capita income measured in current dollars increased from \$531 in 1975 to \$698 in 1976. Restaurants were still required to serve rice containing a blend of 30 percent barley, but the requirement for 2 riceless days per week was removed last autumn.

Korean textile manufacturers made a strong showing late in 1976 in a broad range of textile products. Three-year financing provided by the Commodity Credit Corporation for purchases of U.S. cotton is of considerable benefit to Korean textile manufacturers, for they do not have to pay for the raw cotton until long after the finished product is exported.

Output in manufacturing increased 16 percent in 1976, mostly because of rising world demand for textiles, plywood, footwear, electronics, and construction materials. Korea soon plans to become an important exporter of small automobiles. Exports of ships increased markedly in value in 1976, and even larger orders will be completed this year.

Total exports leaped 40 percent in 1976 to \$8 billion, and imports increased 21 percent to \$8.6 billion. Foreign exchange earnings from construction contracts exceeded \$1.6 billion in 1976. Korea has now earned an excellent reputation in the Mideast as an efficient and reasonably priced builder of roads, ports, and housing. Over 40,000 Korean workers were busy in Mideast countries in 1976. South Korea is scheduled to earn about \$3 billion in 1977 from construction contracts with various members of OPEC. Foreign exchange reserves rose

from \$1 billion in December 1974 to \$2.3 billion in December 1976.

Inflation decelerated from the 41-percent jump in wholesale prices in 1974 to 11 percent in 1975 and 10 percent in 1976.

Fertilizer prices increased 79 percent in December 1975. Many farmers used stocks purchased before the increase rather than pay the higher price. Total fertilizer consumption increased about 1 percent in 1976 to 906,000 nutrient tons as stocks held by farmers declined about 100,000 nutrient tons.

Agricultural Production

Favorable summer weather allowed Korean farmers to harvest record crops of rice, corn, and vegetables in 1976. Total agricultural production was about 8 percent above 1975, mostly because of higher yields for rice, barley, tobacco, and vegetables. Total area of cropland cultivated remained nearly constant at 2.4 million hectares.

High farm prices of \$600 per ton for milled rice encouraged Korean farmers to produce at high levels. Rice production increased 11 percent in 1976 to a record 5.2 million tons. Average yields were 4.3 tons of milled rice per hectare, next to Spain as the world's highest in 1976. Excellent yields were obtained from "Tongil" and "Yuskin," two high-yielding varieties which covered 44 percent of the total area. Great care was given to protecting seedbeds in the spring, including the use of vinyl covers. A combination of good management to prevent pests or disease attacks and excellent weather also contributed to the high yields.

Barley production increased 3 percent to 1.76 million tons in 1976, but wheat production declined 16 percent to only 81,000 tons. An expansion in the area planted to the new variety "Hapsung 71-3" contributed to a 40-percent increase in corn production, which reached a record 84,000 tons. Soybean yields increased 5 percent in 1976 because of expanded plantings of "Kwangkyo," a new variety. Yet, a reduction in total area planted caused soybean production to decline 6 percent to 175,000 tons. Tobacco production increased 4 percent in 1976 to 108,400 tons, mostly because of excellent results from the burley crop. Vegetable production reached a record 3.5 million tons in 1976. Potatoes and various types of cabbage accounted for over half the vegetable output. Output of apples, grapes, and peaches increased in 1976.

Meat production and demand for imported feed increased markedly. Pork output jumped 68 percent to 166,000 tons in 1976, and output of beef rose 8 percent to 76,000 tons. Poultry meat output increased 7 percent to 60,907 tons.

Agricultural Trade

Total agricultural imports declined from a peak of \$1.5 billion in 1975 to \$1.26 billion in 1976, mainly because of smaller imports of rice and barley and lower prices for cereals and sugar. Strong gains in imports of cotton, corn, cattle hides, and soybeans occurred in 1976. The United States provided about 70 percent of Korean agricultural imports, including 96 percent of the cotton and 90 percent of the corn.

Total cotton imports reached 207,000 tons for \$540 million in 1976, an increase of 16 percent in value. Practically all of the 2,800 tons of cotton grown in Korea during 1976 was used in cottage industries. Factory use of cotton in 1976 exceeded the volume of imports, and manufacturers reduced stocks accumulated during the 2 previous years.

Wheat imports increased 29 percent in 1976 to 1.93 million tons, all from the United States. This was still well below the 1972 level of 2.25 million tons. Flour millers were forced to blend 5 percent barley with wheat grindings when the barley/wheat blending program was implemented on March 1, 1977.

Higher rice production and constraints on consumption allowed Korea to reduce rice imports from 482,000 tons in 1975 to only 149,700 tons in 1976. Restrictions on corn imports were liberalized to give a boost to the livestock industry. Corn imports increased 64 percent to a record 957,000 tons from Thailand and 28,000 tons from South Africa. Soybean imports bounced from 51,000 tons in 1975 to 140,000 tons in 1976. Greater demand for cooking oil and soybean meal for feed contributed to the rise. Imports of cattle hides almost doubled in value in 1976, reaching \$111 million. The United States provided about 72 percent of the cattle hides imported last year for the expanding footwear industry.

U.S. agricultural exports to Korea remained constant in value during 1976 at \$830 million (table 13), but considerable changes occurred in the commodity mix. U.S. exports of rice to Korea declined by \$135 million in 1976, and barley fell by \$21 million. Exports of U.S. corn to Korea increased by \$64 million, cattle hides by \$35 million, and cotton by \$19 million in 1976. The value for U.S. soybean exports to Korea rose sharply to \$33 million. U.S. tobacco, now a major ingredient in some popular new cigarette brands noted for their flavor and aroma, provided 55 percent of Korea's imports of 5,900 tons of tobacco in 1976.

Total agricultural exports declined to only \$214 million in 1976, with tobacco replacing refined sugar as the leading item. Tobacco exports increased 8 percent in value to \$77 million, although quantity declined 7 percent to 49,000 tons. The United States, the United Kingdom, West Germany, and the Netherlands were major markets. Exports of canned mushrooms increased from \$22 million in 1975 to \$32 million in 1976, mostly because of bigger shipments to the United States. Ginseng exports rose to \$31 million in 1976 with larger exports going to Hong Kong and Taiwan. Exports of apples and pears to Asian markets increased moderately.

Mutton exports rose 32 percent in 1976 to \$15.8 million because of larger deliveries to Japan. Pork exports to Japan were discontinued late in 1976 because of large stocks in that market. The value of pork exports to Japan declined 36 percent in value in 1976 to \$14 million.

U.S. imports of Korean farm products increased 61 percent from \$25.6 million in 1975 to \$41.1 million in 1976 because of larger arrivals of mushrooms and tobacco.

Outlook

Crop yields were exceptionally good in 1976 because of favorable weather. Programs to further boost yields of rice, corn, wheat, and soybeans are likely to receive high priority in 1977. The area of cereals harvested in 1977 is expected to be up 1 percent, and production up 2 percent, according to Government planners. These modest projections are apparently based on the fact that yields are already quite high and the probability that weather may not be as ideal in 1977 as it was in 1976.

Foreign exchange reserves should surpass \$3 billion in 1977, thus facilitating larger imports. The value for agricultural imports should rise slightly in 1977 because more raw materials will be needed for thriving industries. Larger imports of cotton, wool, cattle hides, tallow, tobacco, and soybeans are likely.

Imports of wheat will probably show little change, rice imports will fall below 100,000 tons, and corn imports are likely to rise over 1.1 million tons. Imports of U.S. farm products in 1977 might reach \$1 billion, with possibly larger purchases of cotton, corn, soybeans, barley, and cattle hides. (*John B. Parker, Jr.*)

LAOS

The Lao People's Democratic Republic (LPDR) faced a broad range of problems during 1976 which sharply limited agricultural and overall economic

progress. Continuing problems with insurgent groups made major areas of the country insecure and disrupted transportation and communications.

The closure of the Thai-Lao border for much of the year disrupted foreign trade and domestic production. Inflation continued to be a serious problem, and the departure of skilled personnel compounded problems of management and operation of the Laotian economy.

Agriculture dominates the Laotian economy, although the country has large, undeveloped forest resources, which are viewed as an important future source of exports. The industrial sector, mainly light industry, is small. The only significant exports of the country in recent years have been tin and timber products. Substantial food deficits have been met by imports, much of which have been in the form of aid since the country has had a large and chronic trade deficit.

LPDR economic policy has emphasized expanding agricultural production, particularly production of rice, the major crop. Efforts to increase production have focused on increasing cultivated area and on shifting to double-cropping by adding a second crop of rice during the dry season after the main crop is harvested in December.

Results of the 1976 harvest are difficult to gauge. Statistical services are rudimentary at best, parts of the country are unsecured, and the new agricultural tax system instituted in October 1976 as a graduated tax on production contains built-in incentives for underreporting. But it appears that area increased from the previous year. One Chinese report placed the expansion in paddy area at 5.9 percent for the year. Sizable increases in irrigated area were also claimed. However, rice yields appear to be down for the year. Press reports focused on drought early in the growing season and on subsequent flooding and insect damage. No claim for national production of rice was made other than the general statement that production was "satisfactory," an indication that production

was felt to be at or below the 1975 level. Little was said about the production of other food crops (mainly corn, vegetables, and tubers) or about industrial crops (small amounts of coffee, cotton, and tobacco).

Food supplies were clearly tight during the year; the deficit was covered at least in part by foreign aid from both communist and noncommunist countries. LPDR reports list about 40,000 tons of rice supplied as aid, as well as powdered milk, canned meats and fish, and other consumer goods.

The process of socialization of the Laotian economy began during 1976. In the small industrial sector, a number of firms were brought under joint public-private ownership. Private commerce was restricted, a number of State stores were established, and the Government attempted to force private merchants into a role as agents of the State commercial system. Although one objective of these actions was to control prices, the short run effect was to disrupt the normal flow of goods and to increase inflationary pressures. A cautious approach was taken in agriculture; the main thrust was to attempt to limit the sale of agricultural products to private buyers and to encourage the formation of "labor exchange teams," a rudimentary form of agricultural cooperative.

In 1977, there will be a continuation of efforts to expand agricultural production through further expansion of cultivated area and increased double-cropping. Agricultural production and marketing, and production in other sectors as well, will depend in part on Government policies and the pace at which the socialization of the economy is pushed. It is not likely that the food deficit will be eliminated. Continued foreign aid probably will be required to maintain consumption levels. (*Frederic M. Surls*)

MALAYSIA

Agriculture accounts for 30 percent of GDP. Major agricultural products are rubber, palm oil, and rice. Major agricultural exports are rubber and palm oil. Major agricultural imports are wheat, rice, sugar, and tobacco.

Economic activity picked up strongly in 1976 from the sluggish growth in 1975. Part of the growth was due to the economic recovery of Malaysia's major trading partners (principally Japan, Western Europe and the United States). Real growth during 1976 is estimated at 8.5 percent, as inflation was held to about 4 percent.

A gradually improving economic situation, a buoyant export sector, higher private sector demand, and the concern not to rekindle inflationary pressures prompted a moderate public sector role. The Government's fiscal and monetary policy was mildly expansionary with Government expenditures rising a moderate 7.8 percent during 1976, compared with 12 percent in 1975.

An upswing in demand for exports provided an incentive for increased agricultural output during 1976 after virtual stagnation during 1975 (table 14). Output in the manufacturing sector, which accounts for about 15 percent of GDP, rose about 15 percent during the year.

Table 14—Malaysia: Quantity and value of agricultural exports, 1975-76

Export	Quantity		Value	
	1975	1976	1975	1976
	<i>1,000 tons</i>		<i>Million dollars</i>	
Rubber	1,460	1,600	810	1,216
Palm oil	1,163	1,363	527	463
Pepper	32	40	42	54
Canned pineapple .	45	52	20	28

Major commodity export prices rebounded sharply in 1976 after showing a general downturn in 1975. Rubber prices were 40 percent higher in 1976 as such traditional buyers as the United States and such new consumers as Romania purchased large amounts. The replenishment of timber stocks and a pick-up in construction and housing activity in industrial countries strengthened timber prices during 1976.

Low palm oil prices during 1976 represented the major exception to an otherwise strong price-recovery year. Palm oil export prices started to weaken in March 1975. They recovered slightly early in 1976 and were relatively steady thereafter, but the 1976 average export price was about 20 percent lower than the previous year's average.

Agricultural Production

Despite adverse weather conditions in some areas, agricultural production rose about 7 percent in 1976. Palm oil, rubber, and rice made sizable gains, and tobacco was the only major crop to suffer a decline.

An increase in double-cropped area and use of more high-yielding varieties enabled rice production to reach 1.3 million tons. As a result of expanded irrigation facilities, 240,000 hectares were double-cropped during 1976, with another 38,000 hectares slated for double-cropping by 1980. Farm support prices for rice have been raised to the equivalent of \$184 per ton of milled rice.

Total area under oil palm reached 647,000 hectares during 1976, about 7 percent above the 1975 level. Peninsular Malaysia accounted for 87 percent of the total oil palm area, with Sabah producing most of the rest. The planting of new areas to oil palm is beginning to slow somewhat. New plantings are expected to average 32,800 hectares annually over the next 5 years, compared with an average of 61,000 hectares annually for the previous 5 years.

Crude palm oil output climbed 8 percent in 1976 to 1.35 million tons, including 127,700 tons from Sabah. The rapid progress of Sabah's palm oil industry is mainly the result of development programs being carried out by the Sabah Land Development Authority. Production of palm oil under the

Felda smallholder schemes now accounts for 30 percent of the country's total output.

Producer palm oil prices were stabilized during 1976 by lowering the surcharge paid by producers when prices were low. Production of canned pineapples in 1976 increased by about 19 percent to 53,000 tons, representing a reversal of the declining trend that started in 1971. Increased foreign demand resulted in nearly all of the output being exported. A price increase was largely responsible for the higher production in 1976.

The coconut industry has been declining for several years. Production of copra in 1976 was 139,000 tons, slightly above the 1975 level but far below levels achieved early in the seventies. Conversion of land from coconut to oil palm was the major reason for the decline in output in recent years, but the Government replanting efforts around 1970 explain the increase in 1976.

In contrast to a steady expansion over the last 10 years, the 1976 tobacco crop was drastically reduced. Domestic production was only 4,200 tons, compared with 9,200 tons in 1975. The sharp decline was the result of unfavorable weather conditions, although the planted area was down slightly. The crop suffered extreme drought during the early season and extensive flooding late in the year.

Agricultural Trade

Rubber and palm oil continued to dominate Malaysia's agricultural exports during 1976. Malaysia continued as the world's leading rubber and palm oil exporter. Rubber export value climbed as the result of both higher prices and increased volume. Palm oil export value fell during the year as the increase in volume shipped was not sufficient to offset sharply reduced prices.

Agricultural imports advanced 12 percent in 1976 to more than \$490 million. Leading imports included wheat, 406,000 tons (mostly from Australia); sugar, 322,000 tons (mostly from Australia); and rice, 120,000 tons. Owing to bumper harvests in the major rice supplying countries—the PRC and Thailand—average import prices of rice declined to \$248 per ton in 1976. Lower world prices were responsible for larger wheat purchases, which also permitted a sizable stock build-up.

U.S. agricultural exports to Malaysia were modestly higher during 1976. Tobacco and cotton shipments accounted for most of the increase.

U.S. agricultural imports from Malaysia again consisted mainly of rubber and palm oil. U.S. palm oil purchases were sharply lower in value during 1976, as volume purchased was down slightly and the average price per ton fell considerably. Rubber import value was much higher in 1976 because of higher prices.

Outlook

Malaysia's economy is expected to continue strong in 1977. The principal soft spot appears to be the possibility of weakening palm oil prices. The country is inextricably linked to the economies of industrial nations, which should result in a growth rate of 8 to 9 percent in 1977 as economic recovery continues in the industrial countries.

Agricultural production is forecast to advance by 7 percent in 1977. Leading the way will be palm oil, growing by about 19 percent. Palm oil exports should reach 1.5 million tons. Exports of rubber and pepper should be slightly higher. Rice production is not expected to increase as rapidly as consumption requirements, forcing rice imports to reach about 220,000 tons. Other food imports

should be about the same in 1977 as in 1976. Cotton imports should continue to rise gradually, with the United States being the principal supplier.

The Third Malaysia Plan (1976-80), launched in July 1976, reflects the Government's determination to redress the economic imbalance between the various States in the country. The plan calls for \$1.9 billion to be invested in agriculture over the next 5 years. An average annual agricultural production increase of 7.3 percent is targeted, which compares with a realized growth of 5.6 percent during the past 5 years. Opening new lands for rubber and oil palm plantings will be the largest single investment, although the emphasis on these commodities has lessened somewhat during the current plan. (E. Wayne Denney)

MONGOLIAN PEOPLE'S REPUBLIC

Agricultural production in 1976 in the Mongolian People's Republic (MPR) showed a rather disappointing performance. Both crop and livestock production (340,000 tons of grain and 7.8 million head of young livestock) were substantially below plans. Unfavorable weather, particularly early frost, was blamed as the cause.

The targets for 1976 called for raising 9 million head of young animals and sowing 530,000 hectares for grain and forage crops, including 40,000 hectares of virgin land. In a midyear report broadcast by MONTSAME, the official news agency, it was claimed that 530,000 hectares were sown to crops, 20,000 hectares more than in 1975, and that a harvest of 410,000 tons of grain was anticipated. Also, the report noted that 7.9 million head of young livestock were raised.

These early claims were later amended. In the Sixth Session of the Eighth People's Great Hural in December 1976, D. Sodonom, Chairman of the MPR State Planning Commission, reported that 1976 grain production was only 340,000 tons, 83 percent of what was expected earlier, and 143,000 tons below the 1975 level of 483,000 tons of which about 75 percent was wheat. Y. Tsedenbal, first Secretary of the MPR Party Central Committee, in a speech to the Second Plenum of MPR Party Cen-

tral Committee on December 27, 1976, said that 7.8 million head of young animals were raised, 87 percent of target.

On the brighter side, production of butter, milk, and meat increased. Vegetable and potato output exceeded the average of 1971-75. Also, a bumper harvest of 930,000 tons of hay was reported.

More than 90 percent of Mongolia's foreign trade was with the Council of Mutual Economic Assistance (CEMA) countries, particularly with the USSR. In 1976, the USSR provided 80 percent of MPR's machine imports. Meat and animal products made up 70 percent of Mongolia's exports. U.S. agricultural imports in 1976 from the MPR amounted to less than \$1 million, mainly for cashmere and camel hair. There were no U.S. exports to the MPR.

Agricultural targets for the sixth 5-year plan (1976-80) call for an ambitious increase over the preceding 5-year period. Average agricultural production is to increase by 26-30 percent, agricultural capital investment by 31 percent, livestock in large animal equivalent by 7-9 percent, meat production by 20-24 percent, irrigated pasture land by 12 million hectares to 65 million hectares, and grain production to 500,000-520,000 tons. (Charles Y. Liu)

NEPAL

Agriculture accounts for 70 percent of GDP. Major agricultural products are rice, corn, and wheat. Major agricultural exports are rice, wheat, jute, and jute products. Major agricultural imports are sugar, tobacco, and cotton.

The Nepalese economy fared slightly better than usual during 1976. The severe inflation of previous

years declined to around 4 percent. A sharp decline in foreign exchange reserves was reversed in 1976 mainly because of a robust export performance. The GDP increased in real terms by an estimated 3.5 percent in 1976, compared with only 2 percent in 1975. Nepal's industrial sector, consisting mainly of jute and cottage industries, showed a substantial increase in 1976.

Tourism continued to play an important role in

the Nepalese economy. The number of tourists increased from 71,000 in 1975 to 86,000 in 1976.

Agricultural Production

Favorable weather in 1976 increased Nepal's total agricultural production more than 3 percent. Total food grain production rose 3 percent to 3.9 million tons in 1976, and cash crops increased moderately. Among the major food crops, rice, which accounts for two-thirds of total cereal production, increased by 4 percent to 1.7 million tons in 1976, nearly 9 percent higher than the previous peak in 1973. Corn, the other major food crop, accounts for about a fifth of total grain production. Production decreased about 5 percent in 1976 to 747,000 tons, mainly because of unfavorable weather conditions in the areas where most of Nepal's corn is grown. Wheat production, mostly produced in the Terai area, rose sharply from 332,000 tons in 1975 to 385,000 tons in 1976, an increase of about 16 percent. The Government encouraged wheat farmers to grow more wheat by subsidizing fertilizer and HYV seed.

The output of oilseeds increased 4 percent to 70,000 tons in 1976. Tobacco output remained unchanged from the previous year's production of 7,000 tons. Sugarcane production increased from 265,000 tons in 1975 to 275,000 tons in 1976. Jute, a very important cash crop, increased 10 percent to 55,000 tons in 1976.

Agricultural Trade

Nepal's foreign trade is almost entirely with its neighbors. About 85 percent is with India, 5 percent with Tibet and the PRC, and 10 percent with

the rest of the world. Since Nepal is a landlocked country, practically all its foreign trade has to go through India.

Nepal's total exports during the first 9 months of 1976 were registered at \$84 million, compared with \$66.5 million for the same period in 1975. Total imports during January-September 1976 were \$128.7 million, up from \$112.8 million for the same period in 1975. Nepal's exports to India usually consist of rice, wheat, jute products, oilseeds, and timber. Leading imports from India include textiles, chemicals, petroleum products, construction material, and machinery. Recently, Nepal and Bangladesh concluded a barter trade agreement to exchange rice and timber for textiles, paper, and spices. Nepal's exports to the rest of the world are mainly jute, jute goods, hides, and handicrafts.

U.S. agricultural exports to Nepal during 1976 amounted to \$1.5 million and were mostly nonfat dry milk, tobacco, and blended wheat and soybean flour. U.S. agricultural imports from Nepal were very nominal, consisting mostly of crude bristles and medicinal drugs.

Outlook

As a result of plentiful rain during January 1977, the Government of Nepal is expecting that 1977 will be another record year for food grain production. Nepal, however, may not be able to export as much rice in 1977 as previously, because population growth and rising per capita incomes are steadily eroding exportable rice surpluses. Nepal is expecting another booming year for tourism and plans to receive up to 100,000 tourists in 1977. (Amjad H. Gill)

NEW ZEALAND

Agriculture accounts for 15 percent of the GDP. Major agricultural products are milk, wool, mutton, lamb, and beef—major agricultural exports are dairy products, wool, mutton, lamb, and beef. Major agricultural imports are sugar, fruits, vegetables, coffee, and tea.

Real GNP fell 1.5 percent from 1975/76 (April-March) to 1976/77, following a small decline from 1974/75 (table 15). New Zealand is currently experiencing a trade deficit with all five of its leading trading partners—United Kingdom, Australia, Japan, United States, and Germany. New Zealand's devaluation of 7 percent, compared with the

Table 15—New Zealand: Economic indicators, April-March, 1974/75-1977/78

Economic indicator	1974/ 75	1975/ 76	1976/ 77 ¹	1977/ 78 ²
Gross national product (billion dollars, at constant 1976/77 prices)	11.5	11.5	11.3	11.3
Inflation rate (percent)	6.0	11.0	15.5	12.0
Unemployment rate (percent)	1.1	3.1	4.0	³ NA
Balance of payments (end of year, million dollars)	-1,316	-1,059	-627	-736
Agricultural income (million dollars at constant 1976/77 prices)	379	494	456	339

¹ Estimate. ² Forecast. ³ NA = not available.

Source: New Zealand Institute of Economic Research, *Quarterly Productions*, various issues.

U.S. dollar¹ in November 1976, was enacted to maintain export price competitiveness. Since 1974/75, the balance-of-payments account deficit had decreased by half because of import restrictions and increased exports. However, the rate of inflation during 1976/77 was 15.5 percent.

Real net agricultural income was up 30 percent in 1975/76 over 1974/75 and is estimated to have been down 8 percent in 1976/77. The largest increases for 1975/76 were recorded in the wool and meat industries.

Agricultural Production and Policy

Better pasture conditions in 1976 resulted in a 7-percent increase in milk production per cow over 1975. Total milk production, however, increased less than 1 percent in 1976. Adult cattle slaughter was up 20 percent over 1975 for the year ending September 1976. Lamb production showed a gain of 1.4 percent over 1975. Mutton production fell off 5 percent from 1975, reflecting low meat prices as well as a desire of sheep farmers to expand their flocks.

Wool production showed a 6 percent increase to 312,000 tons in 1976. This came about in time to capitalize on the sharp increase in the price of wool in world markets. New legislation was adopted in 1976 to stabilize incomes in the wool and meat sectors in a price smoothing action. Producers are to receive a guaranteed minimum price for meat and wool production based on cost of production. If the products are sold above the minimum price, however, producers receive half of the excess revenue with the other half going into a stabilization fund. Farm subsidies in 1976 for all programs amounted to \$129 million, over twice as much as in 1975.

There was a dramatic reversal in wheat production in the 1975/76 season. The Government established floor prices on wheat which stimulated a bumper crop. Consequently, New Zealand exported wheat in 1976. Previously, it had imported up to 100,000 tons of Australian wheat annually. The most drastic change in New Zealand's grain situation was the increase in corn production. Introduced originally as a supplemental forage crop, corn output has tripled in the last 3 years. Barley production in 1976 increased just slightly over 1975.

Agricultural Trade

Agriculture's earnings in the export market were up sharply in 1976 (table 16). Efforts at market diversification were rewarded with higher earnings, as less of New Zealand's major products were exported to the United Kingdom. The United

Table 16—New Zealand: Agricultural exports, July-June 1974/75-1977/78

Commodity	1974/75	1975/76	1976/77	1977/78 ¹
<i>Million dollars</i>				
Meat	418	570	655	700
Wool	250	433	508	460
Dairy	275	385	450	540
Other	590	855	1,125	1,300
Total	1,533	2,243	2,755	3,000

¹ Forecast.

Source: New Zealand Institute of Economic Research, *Quarterly Production*, various issues.

States continued to rank first as a market among importers of New Zealand's beef and veal and second in total meat. In total purchases of New Zealand's agricultural exports, the United States slipped to third place behind the United Kingdom and Japan.

Tobacco imports from the United States are growing only in dollar value as tobacco prices increase (table 17). The United States increased its shipments of peanuts to New Zealand, and it became more competitive with South Africa. Increases in vegetable oil imports also occurred, as more New Zealanders are eating margarine.

Table 17—U.S. agricultural exports to New Zealand, 1974-76

Commodity	1974	1975	1976 ¹
<i>Million dollars</i>			
Tobacco	6.2	7.3	7.8
Fruits, nuts, and products ...	7.0	5.8	6.4
Oilseeds and products	5.3	2.9	5.9
Meat and animal products ...	2.1	1.6	1.8
Grains and products	3.3	.2	.6
Other	2.6	2.3	3.1
Total	26.5	20.1	25.6

¹ Preliminary.

Source: U.S. Dept. of Commerce, Bureau of the Census.

New Zealand's biggest trade concern in 1976 was to sell its surplus beef and nonfat dried milk. It appears now that this concern was partly solved by selling large amounts of beef and mutton to the Soviet Union at bargain prices, and by selling its oldest nonfat dry milk stocks for feed at less than the cost of production.

Outlook

New Zealand's production of dairy products and wool should be higher in 1977, but beef production will be down. The devaluation will tend to increase input costs, and the prospects for higher export prices of dairy products are dim. Consequently,

¹The exchange rate of NZ\$1.00=US\$0.95 is used throughout this statement.

New Zealand will be hard pressed in 1977 to reduce its deficit in the balance-of-payments account. To help stabilize export earnings, New Zealand will continue to diversify its markets. The Middle East promises to be an increasing market for meat, dairy products, and wool.

Lower corn yields in 1976, plus lower export prices, may dampen farmers' ardor for producing corn. But with U.S. hybrid seed corn and adequate rainfall, New Zealand farmers may be able to effectively compete in Asian corn markets. (Lynn A. Austin)

PAKISTAN

Agriculture accounts for 38 percent of GDP. Major agricultural products are wheat, rice, cotton, and sugarcane. Major agricultural exports are cotton and rice. Major agricultural imports are wheat, vegetable oil, and tallow.

Because of favorable weather conditions and some recovery in the world economy, Pakistan's economy moved ahead at a steady pace during 1976. Real GNP grew at a rate of 4.5 percent in 1976, compared to 3 percent in 1975. Per capita income rose only 2 percent in 1976. Industrial output grew at the slow rate of 1.5 percent in 1976, far below the Government's target of 14 percent. During 1976, Pakistan textiles, the major industry, endured a setback because of a poor cotton crop as well as lower demand for Pakistani textiles in the western countries. The balance of payments gap in 1976 continued to remain at a deficit of about \$975 million, despite Government efforts to reduce imported consumer goods. But private remittances of about \$400 million helped to keep the deficits gap from widening. The inflation rate in 1976 showed a dramatic fall from 24 percent in 1975 to about 10 percent in 1976.

Agricultural Production

Pakistan's total agricultural production advanced about 2 percent in 1976, compared to 1975 when total agricultural production decreased by 4 percent. Crop production increased 2 percent in 1976 because of the favorable weather conditions and plentiful canal water for irrigation. Cotton production was down because of flooding and insect damage. The area planted to food grains rose 3 percent from 9.3 million hectares in 1975 to 9.6 million hectares in 1976.

Production of wheat, the major food staple, rose sharply from 7.8 million tons in 1975 to 8.4 million tons in 1976, the highest on record. The rise in wheat production was mainly because high yields were made possible by abundant rainfall, additional use of fertilizer, and more area planted to high yielding varieties. The planted area under HYV during 1976 increased to an estimated 4.6 million hectares compared to 3.8 million in 1975. Of the total wheat area, about 68 percent was

planted to HYV. This was made possible through the government importation of about 17,000 tons of HYV wheat seed from Mexico late in 1975. About 48 percent of total fertilizer consumption was used for wheat.

Rice production of about 2.4 million tons in 1976 was down 8 percent from 1975 production of 2.6 million tons, and it was well under the Government target of 2.7 million tons. Of the 1.7 million hectares planted in 1976, about 730,000 hectares, or more than 43 percent, was planted to HYV. The 1976 rice crop was planted under ideal weather conditions with fairly adequate amounts of irrigation water and ample fertilizer. In August-September 1976, however, Pakistan was again subjected to severe flooding that completely destroyed about 23,900 hectares of rice and partly damaged another 280,000 hectares in Sind Province and 29,000 hectares in Punjab Province, the two main rice producing provinces of Pakistan.

Cotton production in 1976 was about 410,000 tons, down sharply from 1975 production of 496,000 tons. The major reason for lower cotton production was continued rain and heavy flooding during August, 1976. About 525,000 hectares were reported damaged or destroyed by the flooding. Losses were also the result of heavy insect infestation following the humid weather.

In April 1976, the Government announced, for the first time, a guaranteed purchase price for cotton and set the price at PRs 300 (\$1=PRs 9.90) per maund (82.26 pounds) (about 37 cents per pound). In the past, cotton commanded a good return in domestic as well as world markets, and farmers had adequate economic incentives to grow it without the aid of any subsidy or price support program. For the past 2 years, however, neither domestic nor world cotton prices were very profitable for Pakistani farmers, and, as a result, they shifted to more profitable crops, such as wheat and sugarcane. To provide farmers an incentive to boost cotton production, the government announced that it would buy all the cotton growers wanted to sell at the predetermined price support level.

Corn production in 1976 was estimated at 762,000 tons, about 5 percent less than 1975's production of 800,000 tons. Production of chickpeas (gram) and pulses in 1976 was estimated at 500,000

and 180,000 tons, respectively. Sorghum, millet, and barley production were 281,000, 305,000, and 130,000 tons, respectively. Sugarcane production was up from 21.2 million tons in 1975 to 25.5 million tons in 1976. Pakistan also produced tobacco, flaxseed, rapeseed, and sesame seed.

Pakistan's total fertilizer consumption during 1976 was about 650,000 tons. This consisted of 520,000 tons of nitrogen, 125,000 tons of phosphate, and 5,000 tons of potash. Of this total, about 330,000 tons were produced domestically, and the balance imported.

Agricultural Trade

The total value of Pakistan's exports during 1976 increased more than 10 percent to \$1.16 billion. But for the major agricultural commodities, which are rice, fruit and vegetables, cotton, wool, tobacco, and guar and guar products, export earnings declined from \$429 million in 1975 to more than \$402 million in 1976.

The value of cotton exports was \$99 million in 1976, compared with \$156 million in 1975. The major buyers were Hong Kong, Japan, Bangladesh, the PRC, India, Greece, and Singapore.

Rice exports were about 720,000 tons in 1976, 200,000 tons more than in 1975. Export earnings of rice, the leading Pakistani agricultural export, rose from \$190 million in 1975 to more than \$258 million in 1976. High earnings came from the very popular Basmati rice which sells at premium prices in Middle Eastern countries. The major buyers of Pakistan's rice were Saudi Arabia, Iraq, Oman, Kuwait, Turkey, and Sri Lanka.

Other major commodities were exported by Pakistan during 1976. These included guar and guar products, valued at \$20 million; fruit and vegetables, \$12.3 million; tobacco, \$10 million; and raw wool, \$7.4 million.

Pakistan's total imports during 1976 were estimated at about \$2.03 billion, down from 1975 total of \$2.15 billion. The major reasons for reduced import levels in 1976 were lower prices paid for wheat, palm oil, and fertilizer and also reduced purchases of wheat. During the first 11 months of 1976, the total for the four main agricultural imports—wheat, edible oils, tallow, and tea—was \$334 million, compared with \$374 million for the same period a year earlier.

U.S. agricultural exports to Pakistan fell sharply from \$174.8 million in 1975 to \$144.2 million in 1976. As a result of Pakistan's good 1976 wheat crop, U.S. wheat exports to Pakistan declined from \$143 million in 1975 to \$57.1 million in 1976. Other U.S. exports to Pakistan in 1976 included tobacco, cotton, soybean oil, and tallow.

U.S. agricultural imports from Pakistan were \$2.1 million in 1976. Major agricultural commodities imported from Pakistan were dried Anaheim, ancho peppers, goat hair, licorice root, and cotton waste.

Outlook

Pakistan's 1977 economic outlook is reasonably optimistic. The wheat crop looks especially promising and may reach a record 8.9 million tons in 1977. Last year's heavy rains and flooding resulted in excellent moisture conditions in wheat fields, three-fourths of which are irrigated. If an excellent wheat crop materializes, Pakistan may not import wheat in 1977 and thus would realize substantial savings in foreign exchange. Pakistan has been unable to supply its domestic edible oil consumption in the past and is unlikely to do so in the near future. In 1977, Pakistan expects to import substantial amounts of edible oil, especially U.S. soybean oil (under P.L.-480 and CCC Loans) and palm oil from Malaysia, for the production of vegetable ghee (shortening). The total for palm oil and soybean oil imports may go as high as 350,000 tons in 1977.

The Government of Pakistan expects to operate Tarbela Dam at full capacity in 1977, which will bring an additional 2 million hectares of land under irrigation. Most of this newly irrigated land will be planted to wheat, rice, and cotton.

Pakistan may realize its 1977 goal of more than \$1 billion dollars in export earnings because of high world prices for rice, leather, guar and guar products, cotton and cotton products, and woolen products. The Arabian countries and Persian Gulf States will continue to be major buyers of Pakistan Basmati rice and manufactured goods. Hong Kong, Japan, the PRC, Western Europe, and Eastern Europe will be major buyers of Pakistan's cotton and cotton products. (Amjad H. Gill)

PHILIPPINES

Agriculture accounts for 34 percent of GDP. Major agricultural products are rice, livestock, copra, sugarcane, and corn. Major agricultural exports are sugar, coconut products, bananas, and pineapple. Major agricultural imports are wheat, rice, and corn.

Official Government estimates have placed real GNP growth during 1976 at 6.3 percent, slightly above the 1975 growth. Inflation was held to 7 percent, substantially lower than 1975's level.

The strongest performer during 1976 continued to be the construction sector, up 22 percent.

Reported gains for other sectors include forestry, 11 percent; utilities, 7 percent; manufacturing, 6 percent; agriculture, 5 percent; commerce, 5 percent; services, 4 percent; fishing, 3 percent; and mining, 2 percent.

The Philippines again recorded a huge trade deficit estimated at \$1.1 billion, slightly lower than the 1975 deficit. Although the terms of trade deteriorated during 1976, higher export volumes and an expansion in exports of manufactured non-traditional products were responsible for decreasing the negative trade balance.

A nonmerchandise trade surplus of \$130 million—only half the previous year's level—and a surplus of transfer payments of \$215 million, reduced the current account deficit to about \$733 million. The dominant balancing factor in the foreign exchange account was capital flows. The Central Bank borrowed an additional \$232 million, allowing international reserves to rise slightly to \$1,143 million at year's end.

Export receipts from the 10 major commodities were slightly lower in 1976. The only substantial increases came from coconut oil, copra cake and meal, and copper concentrates. In general, higher export volumes of most items were more than offset by substantially reduced prices. The most important changes in imports during 1976 were reductions in value of most machinery, transport equipment, and manufactured metals and sharp rises in the cost of petroleum-based materials and textiles.

Agricultural Production

Strong gains in sugar and coconut output enabled overall agricultural production to advance by about 5 percent. Only rice, corn, bananas, and pineapple production, among major commodities, failed to register an increase during 1976.

Rice production totaled about 3.7 million tons for the second straight year. Reasons for not exceeding this level and not achieving the anticipated large increase in output included (1) below normal rainfall, (2) insufficient production inputs because of a smaller number of "Masagana 99" production loans, and (3) scattered infestations of tungro virus and leafhopper. Failure to increase output in 1976 will likely necessitate rice imports during 1977 to insure adequate supplies during the "lean" months of July and August.

The Philippines continues to have problems producing corn. Poor weather in the primary corn-producing area of Mindanao resulted in a slight decline in the 1976 outturn. Some areas of Luzon are reportedly switching to sorghum production to protect against losses associated with adverse weather.

Sugarcane output during 1976 rose 18 percent to reach 29.0 million tons from 535,000 hectares. The 1977 crop will be somewhat lower because of delayed harvesting. Harvesting began after a 6-week delay, even though the Philippine Exchange had not decided on a floor price for sugar. A delay such as this normally results in much lower sugar content in the cane.

The Philippine sugar industry was under severe stress in 1976 and early in 1977 because of low world sugar prices and huge domestic stocks before the 1977 sugar harvest. The loss from the delayed planting remains uncertain, but it has forced the Government to consider alternative uses for its huge sugar stockpile and to intensify efforts to diversify its export market. The reported sale of 600,000 tons of sugar to the Soviet Union would alleviate the current oversupply situation enough to permit the remainder of the 1977 crop to be harvested. Even with this sale, estimated carryover stocks will be 1.6 to 1.8 million tons on August 31, 1977. It now appears that some traditional sugar planters will switch to other crops such as corn, soybeans, or sorghum, but the magnitude of the shift is uncertain.

A record copra harvest of 2.6 million tons represented an 18 percent gain during 1976. Coconut industry officials had predicted a higher outturn, but production unexpectedly slowed during the July-December period. A possible explanation for the slowdown is that growers stored copra longer than usual in anticipation of higher prices, but they were eventually forced to sell when it became evident that prices were not rising.

Total tobacco production advanced 35 percent to 89,000 tons during 1976. Production of both Virginia and cigar tobacco were sharply up, but burley production (amounting to 7,000 tons in 1976) was reduced because of typhoon damages. Although 1976 has been described as mainly a recovery year for overall tobacco production, higher prices resulted in considerable area expansion, particularly in Virginia tobacco.

Production of fresh pineapples during 1976 was 400,000 tons, down slightly from the strong 1975 crop. Increased demand for both fresh and canned pineapple resulted in more pineapples being planted in recent years, and this trend is expected to continue.

Typhoon damage was responsible for the reduced banana harvest in 1976, lowering output nearly a third to 1.5 million tons. Heavy winds destroyed large banana areas in Mindanao. The Philippines continues to search for additional area that is suited for banana growing to meet the rising demand by Japan for Cavendish bananas.

Agricultural Trade

Based on preliminary data, Philippine agricultural exports were slightly lower at \$1.25 billion during 1976. Agricultural imports were about \$350 million, leaving an agricultural trade surplus of \$900 million. This compares with an overall trade deficit of more than \$1 billion.

Sugar exports were about 1.2 million tons; U.S. purchases totaled 845,000 tons, valued at \$230 million. Japan, the Soviet Union, the PRC, and Romania were other important buyers. All export sales of raw sugar are negotiated by the Government. Existing contracts with three U.S. refiners negotiated early in 1976 call for shipment of 1.35 million tons annually for the next 5 years.

The coconut industry regained its position as the top export earner in 1976. Early in 1976, large export volumes were recorded at low prices. But volume declined after July, and prices were much stronger near year's end. Export earnings from all coconut products totaled \$555 million during the year from aggregate exports of 2.34 million tons (copra equivalent). The figures show an improvement over 1975 of 15 percent in value and 25 percent in volume. Western Europe purchased 46 percent of the total, and the United States accounted for 38 percent of the market.

Other major agricultural exports during 1976 included bananas, 800,000 tons; canned pineapple, 130,000 tons; and abaca, 40,000 tons.

Agricultural imports represented only 10 percent of total imports during 1976, slightly below the 1975 level. Wheat imports increased about 9 percent to 550,000 tons, resulting from lower wheat prices during the second half of the year. The United States supplied about 80 percent of the imported wheat.

Rice imports dipped to only 55,000 tons in 1976, the lowest level since 1969. Imports were used to rebuild stocks, as production in 1975 exceeded consumption requirements for the second straight year.

Imports of raw cotton totaled 35,100 tons in

1975/76, rising 50 percent from the previous year. The United States remains the major supplier. Efforts to produce cotton commercially in the Philippines have been partly successful. An estimated 3,000 hectares were planted during 1976.

U.S. agricultural exports to the Philippines in 1976 were slightly higher at \$168.4 million, as larger wheat and tobacco sales more than offset the decline in cotton exports.

U.S. agricultural imports reached \$497.6 million in 1976. Canned pineapple purchases increased moderately, and much larger volumes of coconut oil and sugar were imported but at significantly lower prices. The average U.S. purchase price for sugar dropped from \$579 per ton in 1975 to \$272 per ton in 1976.

Outlook

A real growth of 5 to 6 percent seems probable for 1977. Assuming continued improvement in the economic activity of the Philippines' major trading partners, the 1977 trade balance should show some improvement, but a large deficit will still remain. Some tightening in the allocation of foreign exchange will be needed to finance larger imports, particularly luxury goods and petroleum. Except for sugar, receipts from major agricultural commodities should be above the 1976 level.

Copra production will be about 200,000 tons less in 1977 because of drought in major coconut areas in 1976. However, coconut oil prices will be substantially higher in 1977. Rice production will probably reach 4.3 million tons in 1977. The continued expansion of the Government-sponsored rice production program (Masagana 99) may provide most of the impetus. However, some rice purchases are likely to meet rice consumption requirements after the relatively disappointing 1976 crop.

Wheat imports are expected to rise 20 percent to 660,000 tons since prices are still relatively low. The U.S. share will decline because of larger purchases of lower priced Canadian wheat. (E. Wayne Denney)

SINGAPORE

Agriculture accounts for 3 percent of GDP. Major agricultural exports are rubber, vegetable oil, and spices. Major agricultural imports are rubber, vegetable oil, cotton, and spices.

After the relatively poor economic performance in 1974 and 1975, Singaporeans anticipated a faster recovery in 1976 than the 6-percent real GDP

growth that was recorded. More rapid growth was not achieved, because economic recovery in the OECD countries was not as vigorous as had been expected and expansion was slow in the important manufacturing sectors of oil refining and transport equipment. But the construction and services sectors remained strong.

Unemployment was reduced to 4 percent, as new jobs created in the electronics and textiles indus-

tries more than offset jobs lost in the shipbuilding and repairing industry. The inflation rate fell to 3 percent in 1976, mainly because of a slight decline in the food price index.

The gradual improvement in foreign trade, begun late in 1975, continued in 1976. Exports grew by an estimated 24 percent to reach \$2.7 billion, but imports climbed only 9 percent to \$3.39 billion. The surge in exports narrowed, but they by no means eliminated, Singapore's traditionally huge trade deficit. Nevertheless, the equally customary large surplus in the services account, plus capital inflows, gave Singapore a small balance of payments surplus for the year. As a result, foreign exchange reserves stood at about \$1.3 billion at year's end.

The United States slipped to second place, after Malaysia, as one of Singapore's largest trading partners. Larger U.S. exports of manufactured goods traditionally resulted in a healthy U.S. trade surplus with Singapore. The surplus narrowed in 1976, but it was still \$150 million.

Agricultural Trade

Rubber and palm oil are the major agricultural products traded by Singapore. Since very little is produced domestically, imports must be obtained from neighboring Malaysia and Indonesia. During the first 9 months of 1976, Singapore's rubber exports totaled \$240 million from 333,000 tons, and palm oil exports were only \$46 million from 119,000 tons. Both volume and value of rubber exports

were higher in 1976. The quantity of palm oil shipped was up slightly from the comparable 1975 period, but its value was down considerably.

U.S. agricultural exports to Singapore are very diversified. Meat products, cotton, and wheat are the major ones. Nearly all of the U.S. agricultural imports from Singapore consist of rubber and palm oil.

Outlook

Singapore's economic progress will continue to depend largely upon such major industrial areas as the United States, Japan, and Western Europe. A real growth approximating the 6-percent rate achieved last year appears likely for 1977. The Singapore Government considers an oil price hike one action potentially very harmful to industrial economies and, in turn, to its own.

Singapore remains hospitable to foreign investors. The economic nationalism common to many developing countries is almost totally absent. And a receptive Economic Development Bank assists potential investors.

After no expansion in 1976, U.S. exports to Singapore should be able to achieve modest growth in 1977. The best opportunities for U.S. export expansion appear to be electronic production and testing equipment, advanced building technology, and energy transfer systems. Among agricultural exports, frozen meats and citrus items look most promising. (*E. Wayne Denney*)

SRI LANKA

Agriculture accounts for 32 percent of GDP. Major agricultural products are tea and rice. Major agricultural exports are tea, rubber, and coconut products. Major agricultural imports are rice and wheat flour.

Sri Lanka's economic growth suffered a setback during 1976 because of a severe drought which has continued for the last 2 years. Real GDP grew about 2.8 percent in 1976, compared with a 3.6-percent increase in 1975. Major contributions to the GDP during 1976 came from the manufacturing and service sectors with increases of 14.2 and 14.6 percent, respectively. Agriculture continued to be the most important sector of the economy, but its share of the GDP has declined gradually from 34 percent in 1970 to about 32 percent in 1976. Sharp declines in production of such major crops as rice, tea, rubber, and copra kept the agricultural sector from growing in 1976.

Agricultural Production

Total agricultural production in Sri Lanka during 1976 declined more than 1 percent from the poor year of 1975 when total agricultural production dropped more than 10 percent from 1974. These declines were largely the result of adverse weather conditions. Total grain production dropped slightly from 1.67 million tons in 1975 to 1.64 million tons in 1976. Output of rice, the major staple food, dropped 11 percent below the 1975 crop to 687,000 tons, the lowest rice production in the last 5 years. Although production of Maha rice was better than expected in 1976, its yield did not offset the loss of Yala rice. Maha rice is the first and larger of the two rice crops. It is planted during August through October and harvested the following year from February through March. The major part of this crop is irrigated and receives Government-provided HYV rice seed and fertilizer at sub-

sidized prices. Yala, the second and smaller rice crop, provides about a third of Sri Lanka's rice production. It is planted during March through April and harvested between July and September. Despite the Government's effort to encourage more use of fertilizer and HYV seed, the Yala rice crop was a total failure because of the drought.

Production of tea, Sri Lanka's major export commodity, declined sharply from 214,000 tons in 1975 to 300,000 tons in 1976. Tea grows mainly on high elevations where drought is seldom noticed. But the current drought was so severe that even the uplands, and consequently tea production, were affected. The value of tea production represents a third of the total agricultural output and about 45 percent of total export values.

Rubber production decreased 3.5 percent from 145,000 tons in 1975 to 140,000 tons in 1976 as a result of the prolonged drought. In addition, nationalization caused many rubber estates to change hands, and as a result many rubber trees were not fully tapped. Production of coconuts, the third major crop in Sri Lanka, was also affected by the dry weather, and output declined from 170,000 tons in 1975 to 165,000 tons in 1976. A major part of coconut production is consumed domestically, since coconut is a very important part of the Sri Lankan diet.

Agricultural Trade

Because of lower export earnings from tea and coconut products, Sri Lanka's total exports dropped from \$554 million in 1975 to an estimated \$545 million in 1976. Tea is the major export commodity and reflects Sri Lanka's trend of foreign exchange earnings. In 1976, total tea exports were an estimated \$233 million, down sharply from 1975's exports of \$274.5 million. The major cause of lower export earnings was reduced tea production because of drought and problems related to the 1975 nationalization of tea estates.

In 1975, for the first time, Pakistan replaced the United Kingdom as Sri Lanka's best customer for tea with a purchase of 27,000 tons. (Although tea export estimates are available for 1976, exports to individual countries are not available beyond 1975.) The U.K. tea purchases slipped from 30,400 tons in 1974 to 25,625 tons in 1975. The United States yielded its third position to Iraq, whose purchases went up from 15,600 tons in 1974 to 21,600 tons in 1975. But U.S. purchases still increased slightly from 15,900 tons in 1974 to 16,600 tons in 1975. Sri Lanka's tea market is quite diversified, and such Middle East countries as Saudi Arabia and Aden are gaining in importance.

Because of higher rubber prices, Sri Lanka's earnings from rubber exports increased almost 17 percent to \$114 million in 1976, compared with

1975 earnings of \$97.6 million. The major buyer of Sri Lanka's rubber was the People's Republic of China. For the last 25 years, the PRC and Sri Lanka have had a barter agreement which has been renegotiated every year. Under this agreement, Sri Lanka sold about 67,000 tons of rubber to the PRC in 1976. The United States bought more than 4,000 tons of rubber from Sri Lanka in 1976.

Because of a decline in production, as well as lower world prices for coconut and coconut products, Sri Lanka's total export earnings from coconut declined sharply from \$70.5 million in 1975 to about \$48 million in 1976. The major buyers of Sri Lanka's copra in 1976 were Pakistan, United Kingdom, and the United Arab Emirates. The major buyers of desiccated coconut were the United Kingdom, West Germany, the Netherlands, France, Spain, and South Africa. Most of Sri Lanka's coconut oil was exported to the People's Republic of China, Canada, the Soviet Union, Italy, the Netherlands, Bangladesh, Pakistan, Peru, and Saudi Arabia. In order to boost exports of coconut and coconut products, the Government abolished export duties on copra, coconut oil, desiccated coconut, and fresh nuts early in November 1975. This was intended to grant a measure of relief to coconut producers and to ensure a flow of exports at competitive prices.

Sri Lanka's nontraditional exports, such as gems, shellfish, and ceramics, registered the biggest gains in 1976. The export earnings of these commodities increased from \$112 million in 1975 to \$150 million in 1976. Gems brought more than 60 percent of nontraditional export earnings.

Sri Lanka is a major importer of wheat flour, rice, sugar, and fertilizer. In 1976, Sri Lanka's total imports were about \$660 million, down from 1975 level of \$760 million. The decline was due to lower wheat flour and rice prices. Sri Lanka's imports of wheat flour during 1976 were 450,000 tons. The United States provided about 150,000 tons under P.L.-480 and CCC loans. Other major suppliers of Sri Lanka's wheat flour imports were Australia and France, who also sold flour on concessional and commercial terms.

In 1976, Sri Lanka imported about 440,000 tons of rice. The bulk of the rice was supplied by the PRC under a rice-for-rubber barter arrangement. Pakistan was the second major supplier of rice, supplying about 175,000 tons. The rest came from Thailand and Singapore. Sri Lanka imported about 50,000 tons of sugar during 1976. Major suppliers were India, the PRC, Thailand, and West Germany.

U.S. agricultural exports increased slightly in value from \$25.3 million in 1975 to \$26.5 million in 1976. Wheat flour, cotton, soybeans, and peanut oil were major commodities the United States exported to Sri Lanka. U.S. agricultural imports from Sri

Lanka, principally tea, natural rubber, coconut oil, and cinnamon chips, totaled \$33.5 million in 1976.

Outlook

At the end of 1976, Sri Lanka received fairly good rains, after 2 continuous years of drought. Maha rice was planted under very good weather and moisture conditions. As a result, Sri Lanka is expecting a total rice crop of more than 1.5 million tons and thus expects to reduce rice imports to around 300,000 tons in 1977. But wheat flour

imports may increase slightly to 500,000 tons. Most of the wheat flour will probably come from the United States, Australia, and France.

Prospects in 1977 for traditional exports (tea, rubber, and coconut) seem to be encouraging. World prices for tea are expected to remain high, and the coconut industry may recover from its present depressed state with higher prices in 1977. Favorable prices for rubber are expected in world markets in 1977. Nontraditional commodity exports may increase further in 1977 but at a slower rate than in 1976. (*Amjad H. Gill*)

TAIWAN

Agriculture accounts for 16 percent of GNP. Major agricultural products are rice, sweetpotatoes, vegetables, and meat. Major agricultural exports are sugar, mushrooms, fruits, and vegetables. Major agricultural imports are corn, wheat, soybeans, and cotton.

Taiwan's economy continued to steam ahead at full speed during 1976. The GNP in real prices is estimated to have risen by 11.8 percent in 1976, compared with a 1975 GNP increase of only 2.8 percent. Real per capita income rose 8.9 percent; in 1976. The industrial production index was up about 22 percent in 1976, compared with a 6-percent increase in the previous year. The manufacturing index was up more than 18 percent, public utilities, such as electricity, gas, and water, were up by 16.5 percent, and mining up 15.7 percent. Total agricultural production showed a very healthy gain in 1976, and all sectors, except forestry and fisheries, showed a gain from 1975.

Wholesale and consumer prices rose only moderately in 1976. Wholesale prices were up 1.8 percent, and consumer prices were up 1.4 percent. During 1976, total trade advanced to a record level of \$16.1 billion, compared with 1975's \$11.3 billion. Total value of exports increased more than 52 percent, and imports increased about 28 percent.

Agricultural Production

Taiwan's total agricultural production in 1976 is estimated to have risen by 7.3 percent, far exceeding the Government target of 3 percent and much higher than in 1975 when it rose by only 2 percent. The major increase came from livestock production, which rose by 26.6 percent in 1976 in contrast to a 1975 decrease of 6.5 percent. Crop production showed a healthy gain of 4.6 percent in 1976, compared with a 2.7 percent increase in 1975. Rice pro-

duction reached 2.5 million tons in 1976, up 8.8 percent over the 1975 production of 2.3 million tons. The increase in rice production was the result of such Government policies as increased support prices, interest free loans, and fertilizer at subsidized prices. In addition, the Government continued to prohibit nonfarm use of paddy land.

Corn production was 114,000 tons in 1976, down from 135,000 tons in 1975, largely a result of the reduction in area planted. In 1976 corn was planted on 41,000 hectares, down 7,000 hectares from 1975. Sweetpotato production, which has been decreasing for the last 5 years, fell again in 1976 to 1.8 million tons, compared with 2.4 million tons in 1975. Cassava production rose from 270,000 tons in 1975 to 287,000 tons in 1976.

Because of favorable weather, sugarcane production was up sharply to 8.5 million tons from 1975 production of 7.7 million tons. The major reason for higher sugarcane production was an increase in the Government's guaranteed minimum prices paid to sugarcane farmers. Production of centrifugal sugar in 1976 was estimated at 817,000 tons, 8.8 percent above 1975 output.

Vegetable production, including asparagus, mushrooms, and other vegetables, rose around 8 percent in 1976. Vegetables were the second largest of crops produced and were planted on 147,000 hectares in 1976. Combined output of all fruits, except bananas and citrus, rose about 9 percent to 378,000 tons in 1976. Total citrus fruit production in 1976 reached 467,000 tons, up 15 percent from 1975. Banana production declined 6 percent from 1975 to 187,000 tons in 1976. The 1976 production of soybeans, peanuts, pulses, and tobacco was 53,000, 89,000, 29,000, and 26,000 tons, respectively.

Taiwan's meat production, which has been increasing at a steady pace, showed a record increase to 674,000 tons, compared with 550,000 tons in 1975 and 540,000 tons in 1974. The big

increase in meat production came mainly from pork, which rose 30 percent to 512,000 tons in 1976, compared with 1975 production of 395,000 tons. The favorable domestic market price and the lifting of export controls on frozen pork at the end of 1975 were the major factors spurring this substantial rise in output.

Agricultural Trade

Taiwan's total agricultural trade slackened considerably—about 8 percent—during 1976 because of lower sugar prices in the world market. Although the value of most major agricultural exports increased during the first 10 months of 1976, exports of sugar, the most important agricultural export, declined drastically from \$258 million in 1975 to \$146 million in 1976, a fall of 44 percent. Major importers of Taiwanese sugar were Japan, South Korea, Hong Kong, the United States, Portugal, Morocco, and Saudi Arabia.

Asparagus, the second major agricultural export, brought earnings of \$73.2 million in the first 10 months of 1976, up 12 percent from the same period of 1975. Major buyers of asparagus were Japan, Malaysia, the Netherlands, and Singapore. Mushroom exports, which had been falling for the previous 3 years, showed a healthy improvement by rising 15 percent to \$56 million between January-October 1976. West Germany, Japan, Canada, the United States, Sweden, and the United Kingdom were major customers. Banana exports during the 1976 period declined slightly to \$19 million, compared with \$19.4 million earned in the 1975 period.

Taiwan's exports of other major commodities during January-October 1976 were fresh vegetables, valued at \$13.5 million; fresh and canned pineapple, \$17 million; citrus fruits, \$4.8 million; and tea, \$15.5 million.

As a result of Taiwan's rescinding the pork export ban, pork export earnings increased nearly sixfold from \$11 million in the 1975 period to \$65.1 million in the 1976 period. Austria, Japan, and Nigeria were the major importers of Taiwanese pork.

Taiwan's imports of major agricultural commodities rose significantly from \$656 million in the first 10 months of 1975 to \$741 million in the same period of 1976. Taiwan's cotton imports during the 1976 period were valued at \$203 million, up 32 percent from the \$154 million imported during the 1975 period. Record value and volume of cotton imports were the result of high demand by Taiwan's textile industry, which was recovering from the recession-plagued slack year of 1975. Cotton quantities rose from 153,000 tons in the 1975 period to 169,000 in the 1976 period.

Corn imports during the first 10 months rose sharply to 1.5 million tons for a value of \$201 million, compared with the previous period's imports of 1 million tons at a cost of \$159 million. Most of the imported corn is used for the expanding livestock industry to meet growing domestic and overseas demand.

The value of soybean imports declined from \$175 million in the first 10 months of 1975 to \$140 million in the same period of 1976. The quantity of soybeans imported increased from 632,000 tons to 637,000 tons. Other major commodities imported by Taiwan in January-October 1976 were wheat, valued at \$88 million; barley, \$40 million; tobacco \$31 million; sorghum, \$23 million; and tallow, \$15 million.

Taiwan is one of the best U.S. customers in the Far East. Major U.S. agricultural exports to Taiwan in 1976 were wheat, corn, soybeans, cotton, tobacco, barley, infant dietary food, and dried peas. Total U.S. agricultural exports to Taiwan during 1976 were valued at \$474 million, down 16 percent from 1975. The main reason for this decrease was a 41-percent reduction in volume of U.S. cotton exports and a 24-percent reduction in the volume of U.S. soybean exports to Taiwan.

Total U.S. agricultural imports from Taiwan in 1976 totaled \$109 million, down sharply from \$166 million in 1975, mainly in imports was because of reduced sugar imports. These dropped from 140,000 tons in 1975 to 78,000 tons in 1976. Their value decreased from \$102.5 million in 1975 to \$25.8 million in 1976. Major agricultural imports from Taiwan included canned pineapple, canned mushrooms, canned oranges, mixed spices, and sugar.

Outlook

Taiwan's economy during 1977 may continue to expand but not as fast as it did during 1976. The Government is expecting real GNP to grow about 8 to 9 percent in 1977, compared with 11.8-percent growth in 1976. Rising costs of such imported raw materials as crude oil and raw agricultural commodities may reduce Taiwan's trade surplus in 1977.

Agricultural growth for 1977 is projected at more than 2.5 percent, a slower rate than in 1976. According to official planners, the Government is going to spend around \$47 million to bring about 36,000 hectares of arable land under cultivation within the next 5 years. The Government's 1977 target for rice production is over 2.6 million tons, slightly above the record-breaking crop of 2.5 million tons in 1976.

Agricultural exports in 1977 are expected to increase gradually, with possible large increases in exports of canned mushrooms and bananas. Mushroom canners plan to increase production available

for export by 60 percent in 1977. Export prospects for frozen pork are uncertain. Since substantial stocks of frozen pork have accumulated, the export volume will depend entirely upon entry conditions in the Japanese market.

Soybeans, cotton, and wheat continue to be the major agricultural imports of Taiwan. Taiwan is

expected to import about 3.5 million tons of food and feed grains during 1977. This will include approximately 1.4 million tons of corn, 750,000 tons of wheat, and 800,000 tons of soybeans. Most of the grains may come from the United States. Cotton and tobacco imports are expected to increase during 1977. (*Amjad H. Gill*)

THAILAND

Agriculture accounts for about 25 percent of GNP. Major agricultural products are rice, corn, rubber, and kenaf. Major agricultural exports are rice, corn, rubber, cassava, raw sugar, and kenaf. Major agricultural imports are cotton, tobacco, and wheat.

The Thai economy was on the upswing through 1976. Good trade performance was accompanied by reduced inventories and increased production of many consumer items. Private investment lagged because of political instability, but the climate for domestic and foreign investment improved as the new government of Premier Thanin solidified control.

The GNP for 1976 was up 6 percent from 1975 to \$8.7 billion, expressed in constant 1962 prices. Even though growing, agriculture continued to decline as a percentage of total GNP and accounted for around 25 percent of the total. The estimated inflation rate for 1976 was 6 percent, slightly above 1975 but down markedly from the high of 24 percent in 1974. The consumer price index moved from 180.8 in 1975 to 191.0 in 1976 (1964/65=100). Private consumption expenditures in the domestic market increased in 1976 by 12 percent in current prices to \$11.4 billion.

Agricultural Production

The 1976 production of Thailand's major crops was at record or near record levels, despite drought conditions early in the planting season for rice, corn, sorghum, and cassava. Strong world demand and favorable producer and export prices late in 1975 and early in 1976 served as production incentives for Thai farmers.

Rice production for 1976/77, including both rice harvests, is estimated at 10 million tons. A drop of 138,000 tons from the 1975/76 crop resulted from drought-related decreases in yield.

Because of the dry conditions during the growing season, corn production for 1976/77 was down 10 percent from 1975/76's record of 3 million tons.

Sorghum production remained at 300,000 tons, as yield decreases were offset by increases in area planted.

Lower prices are expected to reduce 1976/77 kenaf production to 180,000 tons, down 30 percent from 1975/76. Low kenaf prices and strong export markets for cassava products caused farmers to switch land from kenaf to cassava. Production of cassava products in 1976/77 was 4.8 million tons, up 600,000 tons from 1975/76.

Thailand continues to expand its sugar industry. Production of cane sugar for 1976/77 is estimated at a record 1.7 million tons. This consists of 550,000 tons of plantation white sugar for domestic consumption and 1.2 million tons of raw sugar for export. Molasses production for 1976/77 is expected to reach 1.1 million tons.

An estimated 946,000 tons of pineapple were produced in 1975/76 from an area of 168,654 hectares. Production of canned pineapple in 1976 reached 40,000 tons, 15 percent more than in 1975. The production of mung beans and black matpe (a red bean, also called rice bean) is estimated to be up 15 percent in 1976/77 to 150,000 tons. Flue-cured tobacco production in 1976/77 is 38,505 tons and production of all kinds of tobacco is estimated to be 62,000 tons. Castor bean production is expected to be down to 25,000 tons, as acreage was reduced to grow the more profitable crops of cassava, corn, and sugarcane.

The 1976/77 cotton harvest is expected to be about 82,000 tons, which is 20 percent higher than in 1975/76. Thai cotton production, however, has not kept pace with the increasing demand of its textile industry.

Agricultural Trade

The demand associated with the expanding economic activity of the industrialized countries in 1976 helped stimulate Thailand's agricultural exports. Total foreign exchange earnings in 1976 were up 30 percent from those of 1975 to about \$2.9 million. The negative balance of trade was the

smallest in recent years. The deficit of \$400 million was down from \$775 million in 1975.

There was no significant shift in Thailand's trade pattern for agricultural exports during 1976. The most important exports in order of value in 1976 were rice, cassava products, sugar, rubber, and corn. Higher export prices for rubber, cassava products, and kenaf, plus a larger volume of agricultural exports, helped to counter lower export prices received for rice, corn, tobacco, and sugar. Japan continues to be the leading outlet for Thai corn, rubber, and sugar; Indonesia for rice; the Netherlands for cassava products and castor beans; and the United States for pineapple.

Rice exports for 1976 amounted to 1,870,000 tons, compared with 933,000 tons for 1975. Larger government-to-government sales, especially to Indonesia, were additions to the increase. To assure an adequate domestic supply at politically acceptable prices, the Ministry of Commerce reinstated the rice reserve program. Under this program, exporters are required to sell to the Ministry 30 percent of their total exports at control prices.

Corn exports during 1976 were about 2.4 million tons, with 23 percent going to Japan. The deep orange Guatemalan variety of corn grown in Thailand is a favorite of Japanese importers. Sorghum exports declined slightly in 1976 to 171,100 tons, as the Government imposed restrictions to meet domestic demand. The Government also limited kenaf exports to 135,250 tons in 1976, 13 percent less than in 1975.

Thailand's cassava meal, chips, and pellet exports amounted to 3.3 million tons in 1976. Of this, over 2.5 million tons went to the Netherlands. Exports of raw sugar in 1975 were 675,000 tons and increased to 1.1 million tons in 1976. The estimated value of rubber exports in 1976 was \$266 million from a volume of 385,000 tons.

Cotton, wheat, and tobacco dominated Thai agricultural imports. Raw cotton imports were up 10 percent in 1976, reflecting improved production in the textile industry. Major suppliers of the estimated 85,000 tons imported were the United States, Sudan, India, USSR, and Turkey. Strong demand for wheat flour from local bakeries during 1976 increased wheat and wheat flour imports to an estimated 120,000 tons. The imports were mostly wheat grain; two-thirds of the total was supplied by the United States. Thai leaf tobacco imports were down an estimated 17 percent to 9,500 tons in 1976. The Government is urging the industry to use a greater percentage of domestic leaf in locally manufactured cigarettes. Small quantities of such agricultural commodities as fresh apples, almonds, baby chicks, breeding cattle, and cattle semen are imported from the United States.

Outlook

The general level of economic activity will continue to increase in 1977. Expansionary fiscal policy by the Thai Government and an anticipated increase in private and foreign investment will stimulate aggregate demand. Thailand derives 90 percent of its energy from oil, and oil imports represent over 20 percent of imports by value. An increase in oil prices could upset the balance of payments and add inflationary pressure to the economy.

Rice production is projected to reach a record level of over 10.3 million tons in 1977/78 by an increased use of less productive land. A reduced export target of 1.3 million tons has been set for rice in 1977/78 with a definite export ceiling of 1.5 million tons. Over 50 percent of the export target was shipped in the first third of 1977, and the Government may have to restrict exports during the second half of 1977 to keep domestic retail prices at an acceptable level. Corn and sorghum production should reach 3.2 million and 300,000 tons, respectively, in 1977/78 with the outlook for record exports of 2.5 million and 250,000 tons.

Demand for cassava products in the European market could weaken in 1977 because of increased transportation costs, even though cassava production increased to 5.0 million tons. Because the relative farm price of cassava is currently more attractive, the area devoted to kenaf has declined creating a shortage of kenaf to supply domestic gunny bag factories.

Sugar production is expected to increase in 1977 to approximately 600,000 tons of white sugar and 1.2 million tons of raw sugar. Despite the present downward trend of world sugar prices, local sugar industry managers are hoping to expand sugar refinery capacity by constructing new mills in 1977.

Raw cotton imports could be up 10,000 tons for 1976 over the 85,000 tons imported in 1975. U.S. cotton could well account for more than half the total imports as U.S. cotton becomes more price competitive. Tobacco imports are forecast to increase to around 12,000 tons for 1977/78, despite Government efforts to encourage greater use of domestic leaf. Wheat and wheat flour imports will continue their upward trend to over 120,000 tons in 1977/78, with more than 85,000 tons projected as the U.S. share.

Development plans stress the need for stable agricultural prices and improved employment opportunities. With an increase in political and social stability and a favorable world market, Thailand's agricultural sector should contribute to the continuing improvement of the economy of Thailand. (Thomas H. Lederer)

SOCIALIST REPUBLIC OF VIETNAM

The Democratic Republic of Vietnam and the Republic of South Vietnam were consolidated under single rule in mid-1976. The newly established Socialist Republic of Vietnam (SRV) is a country of 50 million people with an average of 1 hectare of cultivated land for every 10 persons.

Although some disruptions to the previously separate economies carried over into 1976, considerable progress was made in fulfilling the original goals of the first year of the new 5-year plan (1976-80) of the Democratic Republic of Vietnam (North Vietnam). Some dislocations also occurred following the fall of the government of the Republic of South Vietnam in 1975, but agricultural production in the southern part of the country appears not to have suffered any serious setback in 1975. However, production of several major crops, including rice, declined during the last 2 years. Considerable efforts were made to avoid disruptions, since the south represents the greatest hope for increasing agricultural production. Budgetary outlays of the SRV for agriculture (30 percent) were almost equal to those for industry (35 percent). Of the amount budgeted for industry, a substantial proportion should benefit agriculture both directly and indirectly. Moreover, in a marked departure from the usual Communist practice, special inducements to Western capital and technology are planned to promote agriculture, the processing of farm products, manufacturing, and resource exploitation.

Agricultural Production

SRV officials claimed an overall increase in the economy, particularly in agriculture, in 1976 compared with 1975. The claim that agricultural achievements in 1976 were the largest in recent years was muted by an accompanying announcement that more effort was still needed to solve the grain problem. The total cultivated area reportedly increased, with the largest increases occurring in the southern provinces.

Total grain production in 1976 was placed at 17.9 percent above 1975. Rice (paddy) output registered a 14.7-percent increase, an implied production of about 12 million tons based on 1977 goals. The output reflected a substantial area increase in the southern provinces, since production in the northern provinces appears no larger, if as large, as the 1975 crop. Production of subsidiary crops (corn, beans, sorghum, sweetpotatoes, and manioc) amounted to 1.7 million tons on a rice (paddy) equivalent basis.

The inability to reach 1976 goals of total grain production and the somewhat poor showing of subsidiary crop production (about 12 percent of total grain compared with a long-term goal of 30 per-

cent) probably accounts, in large part, for the decision by the Government to disperse people from the more heavily populated areas. They were to settle in the sparsely settled areas in the midland and upland regions which have a suitable climate and soils for subsidiary crops. These areas are earmarked for specialized crop and livestock development programs under the new socialized agricultural development plan. Over 500,000 persons were to be transferred into these programs in 1976.

Scattered reports indicate some increase in the production of most other crops including sugarcane, tobacco, tea, cotton, peanuts, soybeans, oil-seed crops, and other tropical crops. Import data indicate shortages occur annually in supplies of sugar, tobacco, cotton, jute, soybean oil, and other vegetable oils. Many of these crops are earmarked for increased production under the new agricultural production zoning plans.

The livestock situation in 1976 improved slightly over 1975. Unseasonably cold weather that caused large losses of rice seedlings in the northern provinces in the spring of 1976 also resulted in some buffalo deaths. Hog numbers declined slightly in the northern provinces. For the country as a whole, buffaloes increased 2.2 percent; cattle, 6.7 percent; and hogs, 0.4 percent. Special efforts were made during the year to develop and expand pastures and to increase the base of feed concentrates in an effort to increase the size of marketable animals.

Agricultural Trade

SRV's trade deficit abated somewhat in 1976, mainly because of a decline in total trade during the year. Over 80 percent of the country's foreign trade was conducted by the northern provinces. Grant aid from foreign countries is now declining, and the repayment of past loans, the increasing need to pay for imports from other socialist countries, and the problem of balancing trade take on greater significance. An indication of the SRV's approach to these problems is revealed in the export plans for 1977. The value of exports is to increase 55 percent, and imports of consumer goods are to be curtailed. The proportions of exports by category include light industry and handicrafts, 45 percent; agriculture, 25 percent; marine products, 16 percent; heavy industry and mining products, 10 percent; and forest products, 3 percent. The SRV policy is aimed at decreasing the balance of payments deficit, thus allowing greater imports of capital equipment and raw materials for industry.

Outlook

Goals for 1977 include producing 16 million tons of food—including 13.7 million tons of paddy rice,

an increase of 14 percent over 1976, and 410,000 tons of meat (on the hoof). Land reclamation is to be carried out on 270,000 hectares, of which 236,000 hectares will be brought into cultivation, mostly in the south. Over 500,000 persons will be participating in the development of new economic zones and in afforesting 200,000 hectares. Gross value of agricultural output is to increase 16 percent over 1976, with the value of cultivated crops increasing by 15 percent and that of livestock production by 20 percent.

The 1977 goals for agriculture are very ambi-

tious. They are equally as ambitious for other sectors of the economy. Considerable advancement can be achieved with favorable weather, a better organized and larger labor force, increased inputs (particularly irrigation systems and chemical fertilizer), improved crop varieties, expanded acreage of crops, increases in multiple cropping, and mechanization. Major limiting factors will be the continued low level of managerial and organizational development of the cadre, the low labor productivity of the peasants, and the continued limits on investment funds. (*Marion R. Larsen*)

Table 18 .--Summary of descriptive data by country

Country	Land	Arable land	Population ^{1/}		Labor force in agri- culture ^{2/}	GNP (N) or GDP (D)	Agri- cultural share of production	Annual per capita income
			Midyear 1976	Annual growth rate				
	Square miles	Percent	Thousands	Percent	Percent	Billion dollars	Percent	Dollars
Afghanistan	250,000	22	19,585	2.3	80	1.2 (N) (1974)	50 (N)	85
Australia	2,970,000	6	13,700	1.3	14	76.1 (N) (1976)	6 (N)	5,900
Bangladesh	55,000	66	81,095	2.7	85	4.9 (D) (FY 76)	55 (D)	75
Burma	262,000	28	31,194	2.4	67	3.7 (D) (FY 76)	37 (D)	90
Kampuchea (Cambodia)	70,000	16	8,436	2.5	80-90	N A	N A	N A
Hong Kong	400	14	4,453	2.0	4	7.9 (D) (1976)	1 (D)	1,775
India	1,211,000	50	621,370	2.0	70	83.0 (N) (FY 76)	44 (D)	134
Indonesia	736,000	12	142,656	2.3	70	29.3 (D) (1976)	42 (D)	150
Japan	143,000	16	112,245	1.2	19	450.0 (N) (1974)	6 (D)	4,100
Korea, Republic of	38,000	23	37,056	2.2	45	25.0 (N) (1976)	18 (D)	675
Laos	91,430	8	3,450	2.5	80-90	.22 (N) (1972)	N A	N A
Malaysia	128,400	19	12,701	2.1	60	9.6 (N) (1976)	32 (D)	710
Nepal	54,600	30	12,910	2.2	90	1.3 (D) (FY 76)	70 (D)	99
New Zealand	103,736	65	3,156	1.9	13	11.3 (N) (1976)	18 (D)	3,870
Pakistan	310,000	40	72,367	3.0	60	10.1 (D) (FY 75)	38 (D)	110
Philippines	116,000	30	44,685	2.9	60	15.2 (N) (1976)	34 (D)	340
Singapore	225	22	2,345	1.7	0.5	5.4 (N) (1975)	3 (D)	2,200
Sri Lanka	25,300	25	14,006	2.0	54	2.1 (N) (1975)	33 (N)	110
Taiwan	14,000	30	16,357	2.0	36	14.4 (N) (1975)	14 (D)	700
Thailand	198,000	24	43,437	2.9	78	8.7 (N) (1976)	30 (D)	270
Vietnam	121,300	20	46,190	2.4	68	4.6 (N) (1975)	N A	100
South	60,000	25	21,390	2.6	67	2.3 (N) (1975)	N A	110
North	61,300	14	24,800	2.2	70	2.3 (N) (1975)	N A	100

^{1/} Source: Agency for International Development (AID).^{2/} FDCE, ERS estimates.

N A = not available.

Table 19.--Indices of total agricultural production and per capita food production by country, 1972-76

Country	Total agricultural production					Per capita food production				
	1972	1973	1974	1975	1976 <u>1/</u>	1972	1973	1974	1975	1976 <u>1/</u>
						(1961-65 = 100)				
Bangladesh	101	116	110	121	125	80	93	88	95	94
India	119	129	122	138	137	98	105	96	109	106
Pakistan	156	157	162	155	159	117	119	119	114	116
Sri Lanka (Ceylon)	119	119	125	119	111	100	95	113	93	83
South Asia	119	129	123	137	137	97	104	96	107	104
Burma	101	112	111	116	116	85	91	90	91	89
Indonesia	120	132	139	141	143	96	106	110	108	107
Japan	110	110	110	115	109	100	98	98	100	94
Korea, Republic of	136	139	144	158	175	106	106	109	117	127
Malaysia, West	170	195	204	179	216	149	155	172	148	186
Philippines	133	143	146	167	173	103	108	106	116	119
Taiwan	137	146	146	145	161	108	113	112	108	118
Thailand	131	160	157	166	166	97	116	115	122	118
East Asia	121	127	129	133	135	99	100	101	103	102
East Asia (less Japan)	133	146	149	154	165	104	111	112	115	120
South and East Asia	120	128	126	135	136	98	102	98	105	103
Australia	112	117	121	126	119	101	108	107	113	104
New Zealand	123	116	114	124	131	113	104	100	106	111
Oceania	115	117	120	125	122	105	107	105	110	106

1/ Preliminary.

Table 20.--U.S. agricultural exports by SITC categories to Asia and Oceania, 1971-76, part I--Continued

Country	:	Wheat	:	Meat and	:	Fruits, : Vegetables
and	:	Total	:	Rice	:	nuts, and :
year	:	flour	:	milled	:	and
	:		:	grains	:	preparation: preparation
	:		:	prep. 1/	:	
	:		:	products	:	
	:		:	Million dollars	:	
	:		:		:	
Pakistan	:		:		:	
1971	:	99.2	:	36.7	:	8.8
1972	:	118.6	:	81.5	:	9.9
1973	:	114.3	:	89.2	:	--
1974	:	158.5	:	80.6	:	5.3
1975	:	174.8	:	143.0	:	.4
1976	:	144.2	:	57.1	:	--
Philippines	:		:		:	
1971	:	74.0	:	22.9	:	--
1972	:	99.6	:	33.7	:	11.1
1973	:	117.3	:	49.4	:	--
1974	:	173.1	:	68.0	:	19.7
1975	:	162.8	:	69.8	:	5.9
1976	:	168.4	:	74.8	:	2.9
Singapore	:		:		:	
1971	:	15.1	:	.8	:	--
1972	:	21.9	:	.4	:	2.2
1973	:	57.4	:	6.3	:	19.6
1974	:	43.3	:	8.2	:	.8
1975	:	43.4	:	6.8	:	--
1976	:	56.2	:	7.0	:	.4
Sri Lanka	:		:		:	
1971	:	11.7	:	8.9	:	--
1972	:	22.6	:	21.4	:	.4
1973	:	18.2	:	18.0	:	--
1974	:	10.1	:	6.4	:	--
1975	:	25.3	:	23.0	:	--
1976	:	26.5	:	21.5	:	--
Taiwan	:		:		:	
1971	:	162.3	:	22.1	:	--
1972	:	193.2	:	29.4	:	17.3
1973	:	406.1	:	85.1	:	59.2
1974	:	429.9	:	116.2	:	36.3
1975	:	564.7	:	72.2	:	90.2
1976	:	473.7	:	77.9	:	99.0
Thailand	:		:		:	
1971	:	46.3	:	2.1	:	--
1972	:	58.1	:	1.6	:	--
1973	:	61.1	:	2.8	:	--
1974	:	81.6	:	8.2	:	--
1975	:	79.6	:	10.7	:	.1
1976	:	96.0	:	14.2	:	.1
Vietnam	:		:		:	
1971	:	98.7	:	16.0	:	9.0
1972	:	148.0	:	16.6	:	63.7
1973	:	150.4	:	18.2	:	80.5
1974	:	221.5	:	19.1	:	148.7
1975	:	28.1	:	6.9	:	9.4
1976	:	--	:	--	:	--
Oceania:	:		:		:	
Australia	:		:		:	
1971	:	36.0	:	--	:	--
1972	:	35.4	:	--	:	.1
1973	:	54.6	:	--	:	.1
1974	:	104.1	:	--	:	.2
1975	:	72.1	:	--	:	.3
1976	:	72.1	:	--	:	.4
New Zealand	:		:		:	
1971	:	8.6	:	--	:	.2
1972	:	10.4	:	--	:	.3
1973	:	16.3	:	--	:	.4
1974	:	26.5	:	2.4	:	.7
1975	:	20.1	:	--	:	.2
1976	:	25.6	:	--	:	.5

Note: Columns may not add to totals, which were taken from original sources, due to rounding; dashes mean negligible or none.

1/ Excludes poultry and poultry products.

2/ Separate figures for Bangladesh not available prior to May 1972.

Source: Bureau of the Census, U.S. Department of Commerce; Foreign Agricultural Service, U. S. Department of Agriculture.

Table 21.--U.S. agricultural exports by SITC categories to Asia and Oceania, 1971-76, part II

Country and year	Tobacco unmfd.	Hides and skins	Oilseeds	Oilcake and meal	Cotton, excl. linters	Animal fats and oils	Vegetable fats and oils	Other
	Million dollars							
Asia:								
Afghanistan								
1971	--	--	--	--	--	--	0.1	--
1972	--	--	--	--	--	0.2	.3	0.2
1973	--	--	--	--	--	.1	.6	.1
1974	--	--	--	--	--	.2	.6	.1
1975	--	--	--	--	--	.3	.6	--
1976	--	--	--	--	--	.2	.8	.2
Bangladesh 1/								
1972	--	--	--	--	14.0	3.3	20.4	9.0
1973	--	--	--	--	3.2	3.7	3.3	16.3
1974	--	--	--	--	40.6	5.8	10.5	1.5
1975	--	--	--	--	9.3	5.9	18.9	3.0
1976	--	--	--	--	35.1	.6	11.4	--
Hong Kong								
1971	2.4	0.8	0.6	5.0	22.7	.1	.5	11.1
1972	3.0	1.6	.5	--	7.9	--	.5	21.9
1973	2.7	3.0	.2	--	36.7	--	1.1	28.1
1974	5.4	3.9	.5	.2	69.1	.2	1.5	38.6
1975	2.6	5.5	.1	.4	14.6	.1	1.3	43.2
1976	3.4	4.3	.1	.4	51.9	.3	1.7	64.7
India								
1971	.2	--	.3	.2	48.6	31.1	49.3	35.8
1972	.1	--	.7	.1	2.1	7.2	18.0	37.4
1973	.3	--	--	--	--	5.9	10.7	32.4
1974	.4	--	.2	.3	--	21.7	17.4	27.0
1975	.3	--	.1	--	--	--	7.6	63.7
1976	.2	--	--	--	54.8	22.8	47.1	32.3
Indonesia								
1971	.4	--	--	--	29.5	--	--	3.6
1972	.4	--	--	--	38.8	--	--	7.5
1973	.8	--	--	--	49.4	--	.1	19.3
1974	1.0	--	--	--	59.8	--	.3	10.6
1975	.5	--	--	--	54.2	.1	.4	8.7
1976	.6	--	18.0	--	49.2	--	.1	9.2
Japan								
1971	20.7	51.7	321.8	36.2	125.6	35.5	1.9	30.1
1972	104.8	113.4	384.7	6.4	113.2	24.8	8.6	71.7
1973	101.8	150.9	731.7	57.2	178.6	59.1	24.1	125.1
1974	165.6	120.1	737.7	17.5	298.3	71.6	36.9	144.4
1975	132.2	103.1	667.3	1.0	204.4	24.9	14.2	159.5
1976	223.3	192.3	697.3	21.5	262.1	39.2	15.8	169.1
Kampuchea (Cambodia)								
1971	1.3	--	--	--	1.5	--	.1	--
1972	1.8	--	--	--	1.5	--	.1	.4
1973	1.3	--	--	--	3.7	--	.3	.5
1974	1.9	--	--	--	--	--	.7	.4
1975	--	--	--	--	--	--	--	--
1976	--	--	--	--	--	--	--	--
Korea, Republic of								
1971	--	3.3	7.2	2.6	73.7	14.2	1.3	4.4
1972	--	6.5	6.5	1.1	76.2	13.8	1.2	5.5
1973	--	18.5	19.7	--	111.8	27.5	2.4	5.7
1974	.8	24.5	6.1	--	148.4	42.5	2.1	6.7
1975	4.9	35.8	7.3	--	237.3	25.8	.9	6.7
1976	12.7	72.3	33.3	--	256.4	33.1	1.8	12.4
Malaysia								
1971	9.1	.1	--	.1	1.2	--	1.3	1.3
1972	6.4	--	--	--	1.2	--	.2	1.3
1973	9.4	--	--	--	3.6	.5	.2	2.0
1974	16.0	--	--	.1	10.9	.4	.3	1.8
1975	12.3	--	--	--	5.4	--	--	3.7
1976	14.5	--	--	--	7.7	--	--	3.7

See footnote at end of table.

Continued--

Table 21.--U.S. agricultural exports by SITC categories to Asia and Oceania, 1971-76, part II--Continued

Country and year	: : Tobacco, : unmd.	: : Hides : skins	: : and : Oilseeds	: : Oilcake : and : meal	: : Cotton, : excl. : linters	: : Animal : fats and : oils	: : Vegetable : fats and : oils	: : Other
	Million dollars							
Pakistan								
1971	1.5	--	--	--	2.0	8.6	35.7	4.6
1972	.7	--	--	--	.2	7.4	14.9	2.6
1973	--	--	--	--	--	6.4	16.3	.8
1974	1.0	.3	--	--	--	11.7	58.7	.8
1975	.9	.3	--	--	.5	18.8	7.4	.4
1976	1.1	.1	--	--	.9	11.5	72.1	1.4
Philippines								
1971	4.1	.3	--	4.9	22.3	1.2	.2	11.8
1972	8.2	.1	.3	5.7	16.9	.7	.4	8.9
1973	9.1	.5	2.5	4.4	29.1	1.8	.8	13.2
1974	13.0	1.1	1.5	6.6	34.7	3.1	.8	16.7
1975	17.8	1.6	1.4	1.1	37.4	2.0	.4	20.4
1976	26.4	1.3	2.3	--	24.5	2.2	.4	20.0
Singapore								
1971	2.1	--	2.8	.9	1.4	--	1.3	2.6
1972	2.8	--	7.0	--	.5	.1	.3	3.8
1973	2.9	--	7.0	--	4.2	.2	.4	4.4
1974	1.4	--	2.4	--	10.5	.3	2.6	7.6
1975	1.2	--	1.8	--	4.5	.1	.2	13.6
1976	3.5	--	5.4	--	8.5	.2	.2	16.0
Sri Lanka								
1971	.2	--	--	--	--	--	.1	.1
1972	--	--	--	--	--	--	.3	.1
1973	--	--	--	--	--	--	--	.2
1974	--	--	--	--	1.8	--	.6	1.3
1975	--	--	--	--	.6	--	.3	1.2
1976	--	--	--	--	2.0	--	.7	1.9
Taiwan								
1971	9.8	2.4	61.4	.3	53.2	2.3	2.2	3.0
1972	14.6	3.8	76.1	1.0	40.6	3.2	1.0	2.6
1973	18.2	6.8	139.5	--	81.4	5.1	.3	4.8
1974	29.5	9.2	131.9	--	70.5	9.7	10.0	7.8
1975	27.3	10.7	211.5	.7	122.8	7.1	2.9	13.5
1976	19.5	15.1	148.4	1.1	84.4	2.5	.4	17.3
Thailand								
1971	18.4	--	.1	.1	20.1	--	--	4.3
1972	35.7	--	.2	--	14.7	--	.1	4.0
1973	10.6	--	--	--	40.8	.2	.2	4.9
1974	28.5	--	--	2.7	33.4	.4	.5	5.6
1975	32.8	.1	--	--	24.4	--	.1	11.1
1976	37.0	--	--	--	30.8	--	.1	11.7
Vietnam								
1971	16.8	--	--	5.2	18.4	.2	4.5	4.9
1972	20.3	--	.2	1.0	17.4	.1	7.1	4.4
1973	16.4	--	.1	1.2	19.1	.2	.7	4.0
1974	17.0	--	.3	.5	24.1	.4	4.4	3.3
1975	2.6	--	--	.1	5.2	--	.9	7.0
1976	--	--	--	--	--	--	--	--
Oceania:								
Australia								
1971	11.1	.2	.1	3.3	1.8	.1	3.5	9.7
1972	17.2	.2	.9	2.0	.1	--	2.9	6.6
1973	17.9	.4	6.5	2.5	.8	.3	5.5	10.6
1974	30.7	.6	8.8	6.9	6.7	.9	14.6	14.1
1975	25.0	.6	1.4	.5	.6	.1	16.1	13.5
1976	17.5	.4	6.9	1.5	.5	.1	9.3	20.3
New Zealand								
1971	3.9	--	--	--	--	--	.2	1.8
1972	4.8	--	--	--	--	--	.4	1.3
1973	6.3	--	--	1.2	--	--	.9	2.9
1974	6.0	--	--	1.2	--	.1	4.0	4.2
1975	7.3	--	.2	.3	--	.1	2.4	2.8
1976	7.8	--	.8	.5	--	--	4.5	4.0

Note: Columns may not add to totals, which were taken from original sources, due to rounding; dashes mean negligible or none.

1/ Separate figures for Bangladesh not available prior to May 1972.

Sources: Bureau of the Census, U.S. Dept. of Commerce; Foreign Agricultural Service, U.S. Dept. of Agriculture.

Table 22.--U.S. agricultural exports to Asia and Oceania, annual 1974-76

Country	1974	1975	1976	Change: 1976 over 1975	
				Value	Percent
	Million dollars	Million dollars	Million dollars	Million dollars	Percent
World	21,998.9	21,884.1	22,995.2	1,111.1	5.1
Asia and Oceania	6,591.0	6,492.7	6,818.5	325.8	5.0
Asia:	6,441.6	6,382.4	6,699.2	316.8	5.0
Afghanistan	.9	3.3	1.6	-1.7	-51.5
Bangladesh	209.9	329.5	92.4	-237.1	-72.0
Burma	--	.1	--	-.1	--
Hong Kong	184.6	130.3	206.1	75.8	58.2
India	454.8	759.9	773.9	14.0	1.8
Indonesia	101.2	118.1	234.1	116.0	98.2
Japan 1/	3,478.9	3,081.9	3,563.1	481.2	15.6
Kampuchea (Cambodia):	111.3	25.0	--	-25.0	--
Korea, Republic of	742.6	829.7	829.8	.1	--
Laos	2.5	.3	--	-.3	--
Macao	--	--	--	--	--
Malaysia	36.4	25.1	31.4	6.3	25.1
Nepal	.4	.3	1.5	1.2	400.0
Pakistan	158.5	174.8	144.2	-30.6	-17.6
Philippines	173.1	162.8	168.4	5.6	3.4
Singapore	42.3	43.4	56.2	12.8	29.5
Sri Lanka	10.0	25.3	26.5	1.2	4.7
Taiwan	429.9	564.7	473.7	-91.0	-16.1
Thailand	81.6	79.6	96.0	16.4	20.6
Vietnam	221.5	28.1	--	-28.1	--
Other	.2	.2	.3	.1	50.0
Oceania:	149.4	110.3	119.3	9.0	8.2
Australia	104.1	72.1	72.1	--	--
British Pacific Islands	.1	.1	--	-.1	--
French Pacific Islands	7.2	8.9	9.7	.8	9.0
New Guinea	.3	.3	.3	--	--
New Zealand	26.5	20.1	25.6	5.5	27.4
Trust Pacific Islands	9.4	7.1	9.5	2.4	33.8
Other	1.9	1.7	2.1	.4	23.5

Note: Dashes mean negligible or none.

1/ Includes Ryukyus.

Source: U.S. Department of Commerce.

Table 23.--U.S. agricultural imports from Asia and Oceania, annual, 1974-76

Country	1974	1975	1976	Change: 1976 over 1975	
				Value	Percent
	Million dollars	Million dollars	Million dollars	Million dollars	Percent
World	10,247.3	9,310.1	10,991.8	1,681.7	18.1
Asia and Oceania	2,878.5	2,511.8	2,734.5	222.7	8.9
Asia:	1,936.4	1,669.7	1,815.7	146.0	8.7
Afghanistan	2.9	7.7	9.4	1.7	22.1
Bangladesh	3.6	3.3	4.3	1.0	30.3
Burma	.1	.2	--	--	--
Hong Kong	8.7	10.7	13.6	2.9	27.1
India	128.4	156.6	191.4	34.8	22.2
Indonesia	358.8	267.6	405.6	138.0	51.6
Japan	69.8	63.8	76.4	12.6	19.8
Kampuchea (Cambodia)	.6	--	--	--	--
Korea, Republic of	15.1	25.6	41.2	15.6	60.9
Laos	--	--	.2	--	--
Macao	--	.3	--	--	--
Malaysia	279.1	325.4	313.6	-11.8	-3.6
Nansei Islands	--	--	--	--	--
Nepal	--	--	--	--	--
Pakistan	2.8	3.1	2.1	-1.0	-32.3
Philippines	847.5	489.2	497.6	8.4	1.7
Singapore	44.7	40.5	32.2	-8.3	-20.5
Sri Lanka	32.3	29.9	33.5	3.6	12.0
Taiwan	94.9	166.4	108.7	-57.7	-34.7
Thailand	43.7	78.0	84.6	6.6	8.5
Vietnam	1.1	.5	.3	-.2	-40.0
Other	2.3	.9	1.0	.1	11.1
Oceania:	942.1	842.1	918.8	76.7	9.1
Australia	576.4	579.7	574.9	-4.8	-.8
British Pacific Islands	--	--	--	--	--
French Pacific Islands	.1	.1	.1	--	--
New Guinea	32.0	33.5	60.7	27.2	81.2
New Zealand	318.3	210.0	280.7	70.7	33.7
Trust Pacific Islands	--	--	.7	.7	--
Other	14.8	18.8	1.7	-17.1	-91.0

Note: Dashes mean negligible or none.

Source: U.S. Department of Commerce.

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